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FLNC ON INDEPENDENCE, REVOLUTIONARY TAX, VIOLENCE

Paris LIBERATION in French 29-30 Jan 83 p 8

/Clandestine press conference 27 January and interview with LIBERATION; no date given/

/Text/ The clandestine Corsican nationalists are proposing an independence with interdependence with France, and they recognize the Corsican regional assembly. This they had already announced, prior to their clandestine press conference yesterday, in a written interview for LIBERATION. Without renouncing violence, the Corsican National Liberation Front (FLNC) is, however, apparently giving priority to political solutions.

True to its past performance, the FLNC, after several weeks of reticence, has made its official reappearance. Subsequent to its decreed dissolution at the beginning of January and considerable decline in the number of incidents for which it was responsible, the clandestine organization held a press conference with four newsmen on Thursday night near Ajaccio.

The meeting was intended to explain things in the wake of the bloody attack on a Corte veterinarian, Dr Lafay, to which the government had responded by sending a control force, and Commissioner Broussard, promoted police prefect.

In fact, more than providing merely a simple analysis of the situation, the FLNC showed that it is apparently making a significant shift in strategy. Thus, for the first time, its spokesmen no longer demanded Corsican independence pure and simple, but a kind of independence in relationship to France, that is, with it: a new definition that could almost embrace the concept of a very broad autonomy.

Also, the FLNC representative called for dissolution of the present regional assembly, which they said is "dominated by clans": in fact, this amounted to recognizing it in principle, whereas they had until now rejected it. In August, during the election campaign, the FLNC had appealed, with little success, for abstention. However, today, the clandestine nationalists do not exclude the organization of new elections to another assembly with wider powers.

Finally, referring to the issue of imposing a "revolutionary tax," described at Christmastime as a legitimate "contribution to the struggle of the Corsican people," the FLNC spokesmen on Thursday evening added some nuances: This tax, they explained, should no longer be aimed at "the category of well-off Corsicans," or even at all residents originally from the continent, but only at those among them who act like "colonialists" in Corsica. The specific characteristics of such behavior remain to be defined. Though they do not go so far as to announce a halt to attacks--the FLNC in fact does not intend to stop its armed struggle--such proposals do signal the initiation of a new policy.

The FLNC had already defined this policy in a written interview for LIBERATION about 10 days ago, in which it summed it up as follows: "The government has the desire to militarize the Corsican issue. The Front is aware of this, and will not let itself be dragged into this arena that the government wishes. We say again that there can be no military solution to the Corsican issue, but only a purely political one." This was a response to all who had regarded the Corte attack as the first sign of an "escalation strategy" by the FLNC. On Thursday evening, the clandestine nationalists clearly expressed their intention not to pursue such objectives.

LIBERATION: You have confirmed the act of 31 December that Dr Lafay and the public had attributed to you? Could you explain to us the meaning of that action?

FLNC: As we confirmed by way of our usual channel, we do admit the attack against Dr Lafay. The purpose of that attack was to injure, as a warning to that suspect and informer individual, who is tied in with secret police circles. It was only a limited action aimed at a single individual, and was in no way a so-called escalation by our organization.

LIBERATION: Does not your attitude promote the formation of anti-FLNC armed militias, thus creating a climate of potential civil strife? And is that not one of your objectives?

FLNC: The Corsican people are not prepared to oppose the Front en masse. The failure of the demonstrations in Corti, Petretu, Bastia, and Ajaccio may be regarded as evidence to that effect. Despite the efforts of some elected members who do not hesitate to cite "customary law" (Cf Rocca-Serra), the dangers of civil war exist only in the spirit of those who ardently desire it, in order to mix up the cards of the situation in Corsica. The Front's objective is to defeat colonialism in order to restore to our people the means to choose their own destiny; not to create conditions for a domestic confrontation. For this reason, the targets of our military action are, and will always be, carefully chosen, though sometimes mistakes can be made.

LIBERATION: Are you not afraid that a tense, critical situation may not increase the economic difficulties and prevent any development in Corsica?

FLNC: Under the present situation, which is one of colonial domination, there can be no economic development that meets the aspirations of our people and is in accord with their collective interest. Economic choices are primarily political choices. The power of political decision should be restored to the Corsican people, then they will create an economy in accord with their interests. When we demand recognition of our national rights, we include among those rights the taking over of control of our economy. Accordingly, in the present situation we encourage, and our members participate in, all economic initiatives in the direction of eliminating economic dependence and in accord with our people's collective interest.

LIBERATION: Do not the autonomists who play the institutional game also become your adversaries, like the other political parties?

FLNC: The autonomists are not our "adversaries." They have chosen the call of reformism and supported the special statute. However, they are still torn between a reformist direction and a rank and file that is often profoundly nationalistic. For example, these contradictions prevented them from unreservedly supporting the repression measures.

LIBERATION: Is there not a risk that your methods will even further isolate you and harm the organizations that are close to you?

FLNC: Our methods are dictated by the conditions of the struggle and the importance of the stakes. The means we have applied, despite the frenzied propaganda that tries to present us as gangsters, are accepted by our people, who daily become more aware that their existence is threatened. At any rate, our actions are always guided by an analysis that takes into account the following:

1. Our people's degree of political consciousness.
2. The Front's degree of organization.
3. The level of colonial aggression and repression.

LIBERATION: Do the latest government measures against you cause you concern?

FLNC: The latest government measures merely demonstrate that colonialism has failed in its effort to settle the Corsican issue by institutional means. In face of this failure, it is reduced to stationing unprecedented police forces (larger than under Giscard). However, behind all this there is a government desire to militarize the Corsican problem. The Front is aware of this and will not let itself be dragged into this battleground desired by the government. We declare again that there is no military solution to the Corsican issue, only a purely political one. As for the role of the media, it is obvious that by their desire to dramatize they are contributing to the government's effort to militarize the problem in order to try to isolate us.

LIBERATION: Do not your analyses on colonization through settlement and ensuring actions lead onto dangerous ground?

FLNC: Our analyses on colonization through settlement reflect neither an ideological decision or a political tactic. They are merely an urgent and limited response to the danger of disappearance that hangs over our people. That is currently the most important and most worrying aspect of colonialism in Corsica. That is why we are making it a priority focus of our struggle. A positive response by the government on this matter would show that it is beginning to understand the Corsican issue.

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CSO: 3519/323

ETApM SEEKING SOLIDARITY OF BASQUE LEFT

Madrid DIARIO 16 in Spanish 22 Feb 83 p 8

[Article by Juan Manuel Idoyaga, correspondent]

[Text] Bilbao--The ETApM [Basque Fatherland and Liberty Group (political-military)] will not disband; and in any case will adopt a policy of combined action with the ETAm (military) after it consolidates its points of agreement in support of the alternative, KAS [Patriotic Socialist Coordination] and the "abertzale" [patriotic] Left grouped around Herri Batasuna [Popular Unity].

This is the strategy of the project the "pro-mili" sector has set up; and now that the initial confusion is over it is proving to be a clearly majority one: supported by 12 of the 17 members of the central committee and five of the six members of the executive board, with the same opinion reflected among the members.

This clarification of the internal situation, and their real plans for the process of cooperation with the "abertzale" Left, and for the reunification of the armed struggle, were expressed on Saturday by this sector of the ETA (p-m) in a press conference attended by various Basque, state and foreign representatives of the communications media.

The spokesmen of the sector made an analysis of the recent internal crisis in the armed organization, which ended "with the self-exclusion of five members of the central committee, who got up from the discussion table and left, while we 12 members who had presented the only report to be debated remained.'

First Experience

The internal debate on the political project of bringing together the nationalist Left, which the "eights" had initiated last summer has actually entered its final "lap" in the last few weeks.

"The resolutions of the 8th Assembly," they stated today, "had decided on a position in favor of a coming together of the "abertzale" Left, and this general position was intended to bind together different parties and sectors of the Basque Left."

They added that "contacts were established between LKI [Revolutionary Communist League] LAIA [Basque Workers Revolutionary Party] New Left of Basque Left, and other sectors; but we finally proved that, far from seeking cooperation, they were calling for different interests--they did not want to unify their views.

Thus we came to the conclusion that it would be possible to create a new party, but we did not make that choice. Any project of combination would be like something which already existed: Herri Batasuna, and the alternative of KAS.

This was proved to us in the elections; and as a result we realize that we made a mistake, and we accept this error, intending to make up for it in the future."

"We also presented it this way in our report, and the reaction of five of the members of the central committee, who never had put forward any alternative, was to get up and walk out. Then later there came what is typical in these circumstances--personal confrontations, explanatory maneuvers, and a struggle for the symbols, but we did not want to join in that game. The political and military dynamics themselves are what will confer legitimacy."

Weapons

In any case, in this first period of confrontation between the two sectors, those who make up the majority within the leadership, in the membership and above all in the possessions of weapons appear to hold the decisive cards when it comes time to gauge the future of one branch or another.

The self-excluded people have very few weapons. The "pro-milis" have all the top-quality material, as the spokesmen of this sector emphatically asserted; and as for the rank and file, only 20 percent have sided with the five members of the self-excluded sector.

"The others are clearly lined up with us, or in any case are keeping very isolated to see what will happen."

The economic aspect is one that also could have an effect on one sector's superiority over the other. But this majority sector of the ETAp made one point very clear.

"Neither we or the sector of the "liquis", who have excluded themselves have anything to do with that accusation which once again, with poisonous enthusiasm, has been passed around in some of the information media. We again confirm that we have nothing to do with the kidnapping of Echeverria; and perhaps by looking for the origin of this slander, it would be possible to find the real perpetrators of the kidnapping, about whose identity we have some well-founded suspicions."

Mid-Term

In any case, the process envisaged by the "poli-milis" is not their immediate integration with the ETA-Military. "We are in favor of reunification of the armed struggle, but this is a long-term process."

"Our initial conclusion is that we ought to keep up political and military cooperation with the KAS, and it is in that very process that cooperation will be achieved."

They add that "Meanwhile, we are continuing that support for KAS and HB [Popular Unity] without this meaning any help in return from these groups, because we do not want to or should we meddle in their internal debates; we think that a common effort of the two armed organizations will become necessary. But until the tiny "liqui" group disappears, and reunification can take place, we propose to continue as an independent armed organization which supports the KAS."

During the press conference the reporters persisted in asking about the position of ETAp; also about Garaicoechea's plans for the "peace table," and the situation which could result if, as it appears, the French socialists are clearly aligning themselves with the Madrid government, and are interfering with the exiles, even coming to the point of allowing extraditions.

Peace Table

The "poli-milis" position of "non-participation but of supporting the 'peace table'" seems to be clear.

"The self-excluded people," they say, "are violating the resolutions of the 8th Assembly, because they want to take part in that process. Our position is one of supporting the table, where the discussions will concern the groups involved. We do not understand how a tiny group wants to be present."

Regarding the more hard-line policy of the French, and the possibility of extraditions, the "poli-milis" are very cautious.

"If France attacks the exiles they could meet up with some surprises. In any case, we already were afraid the French would take this position, and also that their repressive attitude would be first used against the weakest, in this case our exiles, but we also hope for a response from the people against these predictable aggressions."

8131

CSO: 3548/225

ECONOMIC BENEFIT OF DISTRICT HEATING SUBSIDIES DISPUTED

Duesseldorf WIRTSCHAFTSWOCHE in German 14 Jan 83 pp 20, 21

[Text] More than DM 3 billion in subsidies will be paid to district heating concerns by 1985. The economic benefit of this policy is strongly disputed.

The dispute over whether it is economically beneficial to spend billions on district heating has been fueled anew. A study by the Cologne economist Paul H. Suding of the Enerwa Consulting Corporation, an economic evaluation firm, attempts to show that support of district heating makes no economic sense. According to Suding, "There is no foundation for the high regard in which district heating is commonly held. The judgment of its economic benefit especially is based on errors, omissions and misinterpretations." To be sure, every mark spent on subsidies had been turned into investments, but this program has not been able to cause the industry to invest additional monies on its own.

Public finances had been plentiful in the past, because in the third government energy program report, the expansion of district heating, based on its energy-warmth ratio, is counted among the primary energy-political goals. "District heating saves energy and resources, is favorable for environmental reasons and offers an alternative to oil heating," according to the Bonn program.

Thus, the Federal Government and the states supported district heating from 1974 until 1982 with a total of more than DM 2 billion. "However, investments about equaled that amount during the same timespan," Suding calculates. Peter Rammner of the Ifo-Institute for Economic Research in Munich sees it differently. According to the results of a study scheduled to appear in March of this year, subsidies only amount to 40 percent of the investments. That means that with investments amounting to DM 36 billion, as foreseen by a Bonn "Comprehensive Study of District Heating Potential in the FRG," DM 14.4 billion would have to be subsidized by Bonn.

However, if the calculations by Cologne energy economist Suding are correct, then all of the figures and prognoses of the district heating backers are scrap. Bonn's calculations do not even agree with the more favorable Ifo study. The reason for the disparity is that Bonn officials wanted to initiate DM 36 billion in investments with only 6.5 billion in subsidies

(as of 1975), and increase the district heating share to approximately 25 percent of the total consumption of energy by 1990. This results in an 18-percent share of subsidies in the total investments. Dieter Haak, Nordrhein-Westphalian minister for governmental affairs, attempts to use similarly optimistic prognoses in efforts to prove the economic significance of district heating. Haak estimates meanwhile that due to inflation, DM 50 billion will be required in investments. A DM 10-billion subsidy could bring about this increase in investments.

The government's comprehensive study calculated that 60,000 additional jobs could be created during the 15-year construction of a country-wide district heating network. In addition, it would create permanent jobs for 20,500 workers.

But Haak goes even further in his prognosis. For a 5-year construction time, he foresees 215,000 additional jobs for the building of production and distribution installations. The operation of these installations will provide even 230,000 new permanent jobs. In addition, there would be 80,000 new jobs in anthracite mining.

Suding's criticism of Haak is that in various places he uses gross figures and simply includes workers employed in the electrical power industry in district heating investments, although they would be employed even without the expansion of the district heating network.

In addition, Suding charges, Haak also includes 43 percent of coal miners among the permanent jobs of his district heating concept. Suding harshly criticized the minister's calculation by noting that "if one were to continue adding the effects of investments on the job market in this manner, it would result in an employment rate of several 100 percent for the entire economy."

According to the Cologne economist, energy savings through a rapid expansion of the district heating network are grossly exaggerated. Suding's criticism does not limit itself to the comprehensive study of district heating but includes an examination by the Stuttgart Institute for Atomic Energy and Energy Systems (IKE) of energy savings in heating oil substitution through district heating. Both studies came up with figures which could not be compared, according to Suding.

The Bonn study calculates a saving in primary energy of up to 16.7 million tons of anthracite units per year for the final phase of the construction. This could result in a 58 percent to 63 percent saving in primary energy in densely populated areas suitable for district heating. The IKE calculates that DM 33 marks would have to be invested in order to save 10 kW-hours of electricity per year (which corresponds to a saving of about one liter of light heating oil per year). With district heating, the same effect could be achieved with 8 DM.

Suding, on the other hand, believes that the effect on savings caused by the expedited district heating expansion can amount to no more than one-fourth of the figure stated in the comprehensive study. Energy consumption could

also be reduced without the expedited expansion of the district heating network if heating pumps and more economical appliances were used.

The IKE study errs in not taking into consideration the price-induced subsidies which would take place anyway. In addition, industry would invest also without federal assistance, so that the economic benefit of the investing billions of public funds would have to be considered doubtful.

For the chief of the district heating project, Gerhard Deuster, such criticism is "irrelevant polemics, because technical correlations are falsely portrayed." Ifo-Institute's Peter Rammner is also cautious: "It is difficult to evaluate the side effects. Many investments are held in abeyance in anticipation of greater investments and therefore need not be counted into the subsidy phase. One cannot guess what goes on in the minds of the investors."

9328

CS0: 3620/203

COUNTRY'S DISTRICT HEATING SYSTEM EXPLAINED

Brussels LE SOIR in French 11 Feb 83 p 5

[Article by our special correspondent Michelle Lamensch: "Energy Conservation, Pure Air: The Finns Opted for Urban Heating 30 Years Ago"]

[Text] January in Helsinki. It is very cold: around 5 degrees below zero. But the temperature can still drop much lower: down to 30 degrees below zero. Yet the Finnish are warm. And not only in their saunas, as numerous in Finland as private cars: 1,300,000. This figure also corresponds to the number of inhabitants connected to an urban heating network, or a quarter of the total population. In Helsinki, 70 percent of the city dwellers (95 percent in 1990) are connected to the urban heating network, which is a kind of central heating operating for a neighborhood or a portion of the city.

First, in a few lines, what is urban heating? It is the large-scale use of the principle of central heating: a boiler burns a fuel that heats water. This water then circulates in ducts with the help of a pump arrives in the individual radiators and returns, cooled, to its point of departure to be reheated, and so on. The individual heater is replaced at the individual dwelling by a heat exchanger. A collective heater is installed in a central heating place. The water is distributed to the consumers via a double network of tubing (round trip).

For 30 years now the Finnish Government has been encouraging the municipalities to install urban heating networks in all cases where the demand for heat allows their profitability. This profitability is quickly assured in Finland, first of all because of the climate. Located at the northern point of Europe, Finland experiences long and rigorous winters. The average annual temperature in Helsinki (500,000 inhabitants) does not exceed 5 degrees.

For economic reasons next. A highly industrialized nation, with a high standard of living, the consumption of energy (especially of electricity) is very high and the lack of fossil fuels (fuel oil, petroleum) makes Finland particularly dependent on foreign countries for its energy supply.

That is why, since 1979, Finnish energy managers have been pursuing two priority objectives: a decrease in energy consumption by a more rational utilization, and the maximal use of domestic fuels, which are specifically peat and wood, parallel to the development of hydroelectricity.

Nuclear power plants currently produce about 30 percent of the electricity and cover 10 percent of the total needs of Finland for primary energy.

An Autonomous Decentralized Service

However, Finland did not wait for the energy crisis to "heat urban". As early as 1952 networks for heat transport served industrial groups and were gradually extended to public buildings and housing units. Starting in 1960, the combined production of electricity and heat (with recovery of the calories lost during electricity production) was greatly developed on the Finnish territory (25 percent of the total electricity), precisely because it allows both a quantitative energy conservation and the use of native and relatively cheap fuels.

On the other hand, the sale of the heat recovered at the time of combined production allows electricity to be sold very cheaply. The average price of electricity is estimated at Fr 2.30 per kilowatt-hour in Helsinki and that of heat at Fr 1.30, for both private homes and for apartments. In Belgium, the kW-h costs a little over Fr 5 to private individuals. [Trans. note: Please note that these are Belgian and not French francs.]

By nature, urban heating requires decentralized management. In Helsinki, it is the business of a municipal service which enjoys broad operating autonomy and which assures distribution of heat, electricity and gas, at the same time as public lighting. The energy is almost entirely produced in combined production (heat/electricity) power plants supplied with coal and in heating plants of the city itself. In order to respond to the consumption points and in case of outages in these power plants, the municipal service has reserve power plants and portable heating units (heat and/or electricity) for zones that are to be connected at a later time to urban heating. These units, of limited use, operate on fuel oil, which is more expensive than coal.

But heat can also be recovered from industry. In that case, the heat is regenerated in heat power plants. In individual homes, it is the heat exchanger--how much smaller and cleaner than an individual furnace--that allows the continual reheating of water for heating and other hot water needs.

No law, no regulation obligates the consumer to hook up to an urban heating network. But the managing organization operates so that connection costs for new buildings are always less than for any other type of heating. In order to attract other potential consumer, prices are calculated so that hooking up costs less than repair or replacement work on traditional heating facilities.

It is generally thought that the individual will have amortized his facility after 1 year. Amortization never exceeds 5 years.

In 1980, 81 percent of urban heat was distributed to dwellings, 16 percent to public and office buildings, and 3 percent to industry.

An Informed Population

The "heating contract" is signed with the municipal service 6 months before the "delivery" date for the heat. The consumer price is established according to the costs of heavy fuel oil and revised every 6 months. Each month, the consumer himself reads his heat consumption. He monitors his consumption at home with a calorimeter. Informational sessions are organized on a regular basis. At them the advantages of urban heating are of course explained (cleanliness of the individual installation, reliability of supply, low space requirements and need for maintenance) and they also explain how to use the facility in the most economical fashion.

Financing of the Helsinki urban heating was done by loans, fiscal receipts of the municipality and self-financing. The profits registered since the startup of the network have allowed the Helsinki management organization to finance the renewal of a portion of the old equipment (30 years old), extensions of the network and construction of new heat plants without any help from the government. And even a portion of the other investments of the municipality [have been covered], thus lightening the fiscal pressure on the inhabitants.

Connexions are also possible between networks of neighboring municipalities. For example, between Helsinki and Vantaa, 20 km away. In winter, the Vantaa plant sells heat to Helsinki, avoiding the necessity for Helsinki to operate peak plants supplied, as has been seen, by a more expensive fuel. On the other hand, in the summertime the Vantaa plant is closed. Heat comes to it then from Helsinki and electricity from the national network.

Assuredly, urban heating is producing good results in Finland. The savings realized both by the individual and by the managing organization, the favorable fallout for the balance of payments and for national employment are there to prove it.

Given the high technology equipment and the experience acquired by construction companies in the past 30 years, the management organizations for urban heating are amortizing their investments in 10 or 15 years currently.

In addition, the penetration of collective heating networks did not encounter in Finland, as could be the case in Belgium, a competing large natural gas network.

They have also noted a very considerable decrease in atmospheric pollution due to the fact that the smoke that is expelled from the high stacks of the plants are proportionally less noxious and better dispersed than those produced by individual stacks. Only a third of the pollution in Finland is due to national activity, with the rest from neighboring countries in western Europe.

But Finland has several trumps in its hand: the Finnish municipality is an autonomous entity with powerful financial means. In 1981, 20 percent of the nation's expenditures were transferred to the communities.

Local democracy is also very developed. As soon as the "urban heating" option was made, the administration informed the public on the advantages of connection to the network, thus heading off the reticence of the consumers to connect up to a collective heating system.

However, it should be noted that the inhabitants of the municipality of Vantaa, for example, have always refused, in an effort to respect their environment, to have excessively large coal supplies piled up around the immediate vicinity of the production plant. The fuel, which is unloaded at the port of Helsinki (20 km) is brought by truck as it is needed.

But, as a general rule, the installation of urban heating networks and the construction that it required in the neighborhoods (opening up the pavement, etc.) have been well accepted by the Finnish population.

The devotees of the sauna will not complain. How many old coal bins that have become useless after connection to the [heating] network, have been transformed into relaxation cabins [saunas].

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CS0: 3519/319

CEA SUBSIDIARY COGEMA FINANCIAL FIGURES REVEALED

Paris NUCLELEC in French 15 Feb 83 p 10 680

[Article: "Financial Results and Future of COGEMA"]

[Text] The first estimated financial results of COGEMA [General Company for Nuclear Materials], 100 percent subsidiary of the CEA [French Atomic Energy Commission], as they were published in the internal information organ of the company, are as follows:

Net sales: Fr 8.3 billion (Fr 7 billion in 1981), of which Fr 2.2 billion (1.11 in 1981) are exports.

Direct investments: Fr 2.1 billion (1.75 billion in 1981), including Fr 1.45 billion at La Hague (Fr 944 million in 1981).

These figures require refinement. The 1982 net sales would be closer to Fr 8.5 billion and the investments Fr 3 billion. The consolidated figure would reach Fr 15 billion (compared to 12.1 in 1981).

The figure expected in 1983 should be close to Fr 10 billion. As for investments, they should be some Fr 4 billion, Fr 3.5 billion of which would be in physical investments.

Consolidated, COGEMA sales abroad represent 35 percent of its total sales. This figure is 25 percent for COGEMA alone.

Thus, COGEMA is the largest French exporter to Japan. Considering advances that it receives from its customers, for example for the building of the La Hague extension, COGEMA will have contributed over Fr 4 billion to external French financing in 1982.

In addition, in 1982, COGEMA will have hired for various reasons (reduction of work week, development of activities, replacements [due to] solidarity contracts, integration of firm workers, returns) close to 1,150 persons. On 31 December 1982, the total work force was 8,836 persons. It should be noted that on 16 February 1982 COGEMA signed one of the very first solidarity contracts. The COGEMA population affected by this contract is over 800 persons, 80 percent of whom had left [retired] by 31 December 1982 or indicated that they would like to take advantage of the provisions of this contract. Of course, all of the positions of those who have left have been filled.

CEA PUBLISHED REVISED STUDY OF NUCLEAR INDUSTRY

Paris NUCLELEC in French 15 Feb 83 p 10681

[Text] An extremely useful work on the French nuclear industry and its place in the world, compared to the other industries in the same sector, has just been completed by the Program Department of the [French] Atomic Energy Commission.

In fact, it is a third edition, completely revised and updated, of a study, the first edition of which had already appeared several years ago. The title of this work is precisely "French Nuclear Industry."

This work of close to 200 pages is illustrated with numerous graphs, tables and drawings. It reviews the entire fuel cycle, with the production of uranium in the world and the state of the market, the enrichment capacities, the re-processing capacities, forecasts on the production of nuclear wastes, etc....

Of course, many pages are devoted to the role of nuclear energy among the other energy sources, to the investment costs for the construction of power plants and to those of the production of KWh of electrical power, etc....

The work ends with the list, with addresses, of the 148 principal French companies and organizations engaged in the industrial sector.

NUCLELEC will publish some excerpts, the most significant of the work, in its upcoming issues.

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CSO: 3519/355

INSEE SAYS LOWER ENERGY PRICE WOULD REDUCE FOREIGN DEFICIT

Paris LE MONDE in French 29 Jan 83 p 33

[Article: "Consequences of Oil Price Drop"]

[Excerpt] A 10 percent drop would noticeably improve the French balance of payments.

What would be the effects of the drop in oil prices on economic activity, retail prices, the foreign trade deficit?

INSEE [National Institute of Statistics and Economic Studies] has calculated very precisely the direct short-term consequences of a 10 percent drop on 1 January of the price of imported energy:

Households will be in the beneficiaries of a 0.1 percent improvement in their buying power, with retail prices dropping by 0.2 percent. The effect on consumption is practically nil, with the saving rate increasing.

Companies will see their accounts improve. The gross operating excess¹ compared to the value added increased by 0.7 points, which corresponds to a 0.9 point improvement in the gross savings of companies.² INSEE indicates that this improvement of accounts allows companies to slightly increase their investments.

In all, the effect on activity is very slight. The principal result, along with the improvement in company accounts, is a reduction of Fr 22 billion in the foreign deficit in 1983, explained by a 2.5 percent drop in the price of imports. It is difficult to evaluate the effects of a drop in the oil price on the demand in France by OPEC countries. While it is certain that our exports (arms, plants, port facilities, public works...) will be slowed down, it is impossible to know to what extent France will be able to compensate for these losses by advances over industrialized nations that will also profit from the oil price reduction.

FOOTNOTES

1. Gross operating excess: what remains for companies (including individual companies) after payment of salaries, social security and taxes directly

related to production (TIPP [expansion unknown] and professional taxes). It is almost the gross margin.

2. Gross savings: what remains for companies after payment of salary and social security payments, dividends, interest, direct government taxes. Gross savings is what remains for the company, in addition to the undisturbed profits, for investment and amortization.

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BRIEFS

AFME, CEA AGREEMENT--The French Agency for Energy Control is pursuing its activity in view of creating GIP [Public Interest Groups] with partners. Yesterday it was the turn of the CEA [French Atomic Energy Commission] to establish relations with the Agency. An initiative devoted to direct bioconversion of solar energy, the physical conversion systems for this same energy, the development of heat exchangers as well as substitution materials, programs to which Fr 80 million will be devoted this year. The AFME, which is to hire 30 research scientists, is proposing to create mixed laboratories in the form of GIP's and, via this network, to promote the public research effort with companies. In the area of exchangers in particular, the CEA-AFME collaboration could in the long run make it possible for French industries to reconquer the national market that has been so broadly penetrated by foreign companies. [Text] [Paris LES ECHOS in French 1 Feb 83 p 6] 9969

CSO: 3519/316

MAJOR SAVINGS TO BE REALIZED BY CUT IN OIL PRICES

Madrid YA in Spanish 16 Feb 83 p 21

/Text/ If the expectation of the \$4 drop in the price of Saudi crude were to happen, this would represent savings of \$700 million to \$900 million (from 91 billion to 117 billion pesetas) for Spain, and a growth for our economy in the order of 0.5 to 0.6 percent. In like manner, it would have a favorable effect on the inflation index, which would be about 50 percent if the current trend in the rate of exchange of the peseta prevails, according to statements made by Roberto Centeno yesterday at the presentation of his latest book, "Petroleum and the World Crisis." It was sponsored by the president of the National Hydrocarbon Institute (INH), Claudio Boada, who lauded the personality of Roberto Centeno and then discussed the contents of the book, which he characterized as a methodical study of the leading role played by petroleum in the outlook of the past 10 conflictive years.

Next the president of the INH reviewed what the institute has done since its inception about 1 1/2 years ago, describing it as favorable. He also pointed out the need to respect the private interests of the sector in the future.

He noted that after effecting the concentration of the sector and the transfer of the competition of CAMPSA, an adequate control of the management has been established, coordinating purchases and financial matters above all in relation to the procurement of credit. In this sense, he emphasized the procurement of a loan from the European Investment Bank.

On the subject of personnel, he pointed out that coordination has been accomplished, and this applies to ships and oil tankers as well. Further on he noted that all the enterprises of the institute have been audited by wholly independent auditors, and that special attention has been paid to research and development, underscoring that the INH spent nearly 1.5 billion pesetas on this score last year.

In a different vein, he announced that the INH will publish in a few days a full report on the institute's activities, and a study of the sector at the national and the international level.

As to executive resolutions, Boada referred to the gas distribution agreement that had been reached with the Basque autonomous community, and to the

exploitation of the Serrablo deposit, after finding out the results of the surveys made, and the construction of the gas pipeline between Sabinanigo and Zaragoza. He also pointed up the definitive evaluation of the "Caviota" deposit, which he described as evidently exploitable, and disclosed that the project engineering for the same has already been contracted and its start-up date is late 1986 or early 1987. He announced also the start-up of an FCC /sic/ (an installation that produces lighter distillates of petroleum) at La Coruna--which presupposes a 5 percent increase in the production of petroleum crude itself--and the discovery of a gas deposit some 40 kilometers from Seville.

Finally, he noted that new areas are being opened up in India, Egypt and Ireland, and that this may also apply to China and Peru.

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CSO: 3548/206

CHEVRON TO CONDUCT WINTER DRILLING OFF COSTA BRAVA

Barcelona LA VANGUARDIA in Spanish 17 Feb 83 p 21

/Text/ Representatives of the Chevron Oil Company of Spain have promised the mayors of Tossa and Lloret, the municipalities that are most concerned about the petroleum exploration activities, that "the drilling will be conducted only in the winter, the months of sparse tourism."

The mayors in question were invited to visit the drillship "Fedco-472" in order to verify the security measures adopted in the improbable cases of leaks into the tranquil waters of the Mediterranean. Only some 6,000 liters of crude could leak out before the faulty pipe would be hermetically shut off, a small quantity that is eliminated by burning it off or by treating it with chemical solvents, which are always kept available as a matter of regulation, thus preventing any oily drops to reach the coast. On the other hand, the locations in question are, moreover, an hour distant by sea from the possible source of trouble.

The current drilling, which is being done at a water depth of 80 meters, has reached a depth of 1,700 meters and will be finished on 17 March, when it attains the projected depth of 2,400 meters.

The "Fedco-472," a marvel in the technique, positions itself over the drillsite without any mooring lines by means of 12 jet turbines, six on port and six on starboard. Aimed toward the bottom, they are turned on and off by a computer that gets readings of the distances sent from the bottom of the sea by three small radar cylinders, each one costing \$20 million, which are retrieved once the operation is finished.

After the visit to the ship, it is possible that peace and confidence will be restored to the coastal inhabitants, who hope they will stop seeing derricks on the horizon.

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CSO: 3548/206

SALES OF PETROLEUM PRODUCTS DROPPED IN 1982

Zurich NEUE ZUERCHER ZEITUNG in German 10 Feb 83 p 13

[Text] According to statistics of the Petroleum Association, Swiss wholesale sales of the most important petroleum products declined to 6.3 percent (from 7.8 percent in the previous year and still totaled 10.25 million tons compared with 10.94 tons in the previous year). A pronounced decline of 11.2 percent in heating oil sales contrasts with a slight increase of 1.2 percent for fuel, whose portion of total sales thus rose to 42.8 (from 39.6 percent in 1981.) During the last 10 years, that is, since the first oil crisis, Swiss wholesale sales of the most important petroleum products declined by 3.2 million tons, or 23.9 percent. In this case, a 38.7 percent decline in heating oils contrasts with an increase of 12.3 percent for fuels.

In heating oils, 1982 wholesale sales totaled 5.86 million tons as against 6.6 million tons in 1981; considerable declines were noted for all grades. "The decline of 10.3 percent of extra light," the most important grade in terms of quantity, from the previous year, is mainly attributable to consumer hesitation to increase stocks and to climatic conditions (6.7 percent fewer heating degree-days in Zurich). For the industrial grades "medium" and "heavy," with declines of 17.0 and 16.1 percent, respectively, it is probable that substitution of other energy sources played a role, in addition to the consumption-decreasing economic situation.

Wholesale sales of gasoline experienced a slight rise of 1.3 percent to 2.89 (2.85) million tons, while the number of gasoline-powered motor vehicles increased 3.3 percent.

Sales of regular gasoline increased more than average, 15.3 percent, following a clear increase in the price differential between regular gasoline and super gasoline as a result of the adjustment of the lead content on 1 January 1982. Regular gasoline accounted for 17.2 percent of the total gasoline sales.

With an increase in sales of 2.5 percent, diesel oil showed the greatest increase of all products. With total sales of 0.78 million tons and 0.03 tons bunkered in Basel's Rhine ports, domestic sales rose 2.9 percent, which with declining tendencies for indicators that determine consumption, points to an increase in inventories.

Wholesale sales of aircraft fuel fell 1.0 percent in 1982 to 0.71 million tons. This trend tends to reflect the number of flights (airline and charter traffic) at Swiss airports, which were 0.4 percent fewer than in 1981.

In the last 10 years, that is, since the first oil crisis, Swiss wholesale sales for the most important petroleum products declined 23.9 percent from 13.47 million tons to 10.25 million tons. This trend was most pronounced in heating oils, which declined 38.7 percent from 9.56 million tons to 5.86 million tons, even though the number of housing units increased 16 percent. In contrast, sales of motor fuel (gasoline and diesel oil) rose 12.9 percent from 3.25 million tons to 3.67 million tons. This however, occurred as the number of motor vehicles increased 54.7 percent. In the same time frame, wholesale sales of aircraft fuel rose 9.2 percent from 0.65 million tons to 0.71 million tons, although the number of flights at Swiss airports, however, increased 19.9 percent.

The trends in the last 10 years have led to clear shifts in the sales structure. Whereas in 1973, 71 percent of total sales still were of liquid heating fuels and 29 percent of liquid motor fuels, last year the breakdown of total sales was 57.2 percent and 42.8 percent, respectively.

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CSO: 3620/209

PETROLEUM CHIEF INTERVIEWED ON PURCHASES, PRODUCTION

Istanbul TERCUMAN in Turkish 14 Feb 83 p 5

[Report on interview with TPAO General Manager Ismail Kafescioglu by Nursun Erel]

[Text] Ankara (TERCUMAN) -- Ismail Kafescioglu, general manager of Turkish Petroleum [TPAO], said: "Even though prices are \$6 a barrel cheaper on the spot market at present, it is risky in the long run from the standpoint of national security to ignore our agreements and buy oil on the spot market."

Insisting that buying oil under agreement was the best guarantee for our country in the long run, Kafescioglu said:

"Crude oil prices are \$6 lower than official prices today, but this time last year they were \$2 or \$3 higher than official prices. No one can guarantee that the same situation will not occur in mid-1983 or by the end of the year. Then it would be impossible to conclude new contracts. The dangers of that are obvious from the standpoint of Turkey's national security, defense and economy. Crude oil may be obtained on the spot market only insofar as it does not create these risks. The time to get the most advantageous prices is around the end of April or May when consumption is usually down. However, the decision in this regard is a matter of governmental preference."

New Petroleum Law

In response to our question about the Petroleum Bill discussed and approved by the Consultative Assembly, Kafescioglu replied:

"The attraction, involvement or withdrawal of foreign capital in oil exploration naturally depends on political, security, economic and such factors including degree of advantage and the country's attitude towards foreign capital. Limited liberal incentives were allowed under Petroleum Law No 6326 as a concession to the high risk involved in oil exploration in Turkey owing to its varied geological structure. It was felt that Turkey had a great deal of oil and that foreign capital was exploiting Turkey and there was an attempt to revise these incentives, leading to the slowdown of activities that these companies had undertaken with great gusto. When Law No 1702, the so-called Petroleum Reform Law passed in 1973, in fact abrogated the limited incentives allowed domestic and foreign private enterprise, the remaining companies officially took their leave of Turkey.

"Foreign capital and technology must be attracted to Turkey provided it does not conflict with our national interests. The Petroleum Bill just out of the Consultative Assembly was the outgrowth of this need. However, bearing in mind the fact that the law will only be as effective as the point of view of those who administer it, the main task will fall to the bureaucrats and technocrats."

Bati Raman

Kafescioglu gave the following information on oil exploration in Bati Raman, considered Turkey's most promising oil field:

"The amount of oil at Turkey's largest oil field at Bati Raman is 1.8 trillion barrels and only 1.5 percent of it can be recovered by natural pressure. The reason for this is that Bati Raman has a low-gravity, highly viscous oil. As the result of studies conducted to find the enhanced recovery techniques needed in this field, it was decided to inject carbon dioxide to be brought from the Dodan Field, 90 kilometers from Bati Raman, and \$6.25 million in credit was obtained from the World Bank for the pilot project for this purpose. The pilot project will begin implementation early in 1984. Full-field implementation will begin after this pilot, which it is believed will be successful. Cost of this project, moreover, is estimated at around \$350 million. The project envisions opening 872 new wells in the field in 10 years. By improving the recoverability of Bati Raman oil in this way, it is thought that this field will produce 300 million barrels of oil worth \$9 billion over 24 years."

Off-Shore Oil Exploration

Speaking of off-shore oil exploration, the TPAO general manager said: "No soundings in Turkey's territorial waters are in progress at the moment. However, we have oil exploration agreements with Barrick of Canada in the central and western Black Sea, with Seahawk (United States-Canada-Norway) in the Gulf of Saroz and with Salen (Sweden) in the Gulf of Iskenderun. Off-shore oil exploration requires a great deal more money and more advanced technology than ground testing. We have decided for this reason to conduct all off-shore exploration in foreign partnerships."

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CSO: 3554/161

NATIONAL DEBT PRECLUDES SEPARATION OF REGIONS

Brussels LA LIBRE BELGIQUE in French 9 FEB 83 p 1

[Article by Jean Daloze: "After Consideration: A Belgian Separation Is Financially Impossible"]

[Text] We were preparing the following article when, on Sunday, Wilfried Martens appeared on RTBF television and provided us with an opportune introduction. Speaking on the finances of the central state and of the regions, the prime minister stated that to make the national government on the one hand responsible for the debt burden and, at the same time, to grant credits and revenue to regions "would not work." This statement fits with our argument that Belgian separation is financially impossible, especially in view of the size of the public debt.

According to a recent documentary report from the Finance Department, the Belgian public debt, including the debudgetized sector, amounted to 3 trillion at the end of 1982. To this must be added borrowing guaranteed by the government, at 1.3 trillion on that date. The total comes to 4.3 trillion, and it is hard to believe that Mr Van den Brande intends to divide it up between the regions in the same proportions as his proposal on doing away with the national economic sectors, namely 65 percent to be charged to Flanders and 35 percent for Wallonia. The Brussels region would be exempt....

If you look at the 1983 general budget, you will see that the public debt burden, in an overly narrow sense of the term, is 301 billion for this year, or one-quarter of fiscal revenue. But when all the various elements are included, the debt burden rises to over 400 billion. Now we are up to one-third of taxpayers' contributions! The gargantuan size of our national debt naturally has an abnormal effect on our situation. In all events, the public debt in any country is the financial expression of many past national investments and improvements for the community. American economists rightly point out that this debt constitutes a particularly solid groundwork for the country.

To divide up the public debt in Belgium on the basis of a regionalist approach is like trying to make a circle square. Let's assume that we want--as some do--to allocate 50 percent of revenue to regions and 50 percent to the central

government and the same amount for the regions. Estimating the automatic increase in revenue at 8 percent, or 48 billion for the central government, this increase would clearly not be enough to offset the parallel growth in the debt burden which is ranging around 60 to 70 billion a year. The government would therefore sink into bankruptcy.

Of course, there is always borrowing, and our country does not, unfortunately, eschew that course to cover the cost of previous borrowing, but not for the purpose of investments. What is altogether clear--and here we agree with what Mr Martens said on television--is that the regions would not be able to borrow enough to cover both part of their debt burden as well as their investment needs. It is even clearer that our country--and our regions would be in the same boat--has to borrow a great deal abroad. However, only the Belgian Government has sufficient credit, because of its past, its participation in the group of the 10 richest countries in the world, its recovery efforts over the past year, etc., to find money outside its walls. Neither Geens nor a fortiori Dehousse could borrow without the guarantee of the Belgian Government. It absolutely must provide a sufficient safeguard, or else everyone involved would be lost. And, as Mr Martens said, "it would not work" to earmark the debts for the central government and credits and revenue for the regions.

There is something even more basic. The weight of the public debt burden is in fact such that, when you add in what should remain within the domain of the central government--even in the view of the most "separatist-minded" of our politicians--it is financially impossible to amply feed the regional vaults. While current expenditure for 1983 is 1,435 billion, national expenditure is slightly more than 1,000 billion this year. Here is a breakdown: public debt, 301 billion: pensions, 170 billion; endowments, 4 billion; prime minister, 2 billion; justice, 19 billion; interior, 81 billion; foreign affairs, 11 billion; national defense, 71 billion; national police force, 14 billion; social security, 300 billion; finance, 32 billion.

Count it up. Naturally, you could quibble over some of the budget items listed. But we were overly cautious in eliminating items, as it is obvious that there are national amounts under items such as development aid, economic affairs, the middle classes, public works, public health, and so forth. In any case, it is quite clear that even if the country were largely regionalized, the national sector would still require the bulk of the revenue paid in by our citizens, and the public debt only accentuates this phenomenon. And if you want to turn to capital other than ordinary revenue, that is to say borrowing, and specifically foreign borrowing, the central government is equally necessary as its guarantee is needed on the loans.

We could give many more figures and pieces of evidence, but that is enough: the boundaries of the separatist thrust are marked financially, as unsurmountable ramparts. We are now quite far from the stupid and dangerous Fourons affair and quite close to the constant realities of the Belgian problem.

We would like to express the fervent hope that the case as outlined here be submitted, with any details the experts may want to add, to the Center in charge of studying government reform, which is already being called the new

Harmel Center. This is more than ever the time to reflect before taking action. We are not asking either the Walloons or the Flemish to renounce their own learnings or to reject institutional applications. But we are asking all the political, economic, cultural and media leaders to make an effort to be realistic and to take into account the inhabitants of this country and its regions.

It is not acceptable for anyone to throw our people over the precipice, neither in a fit of heated passion, or in the name of cold intellectualism, or on the basis of a sort of blind, Breughel-type momentum. To govern is to foresee, and what is certain is foreseeable.

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CSO: 3619/49

EXPERTS DISCUSS REMEDIES FOR ECONOMIC CRISIS

Hamburg DER SPIEGEL in German 14 Feb 83 pp 40, 41, 43, 46, 47, 50, 52, 53, 56

[Discussion between research economists Gerhard Fels and Hans-Juergen Krupp in the Hamburg SPIEGEL House with DER SPIEGEL editor Walter Knips acting as discussion leader; date not specified]

[Text] Gerhard Fels and Hans-Juergen Krupp are two of the most respected FRG research economists. They represent the two economic policy camps in this election campaign:

Fels, 43, vice-president of the Institute for International Economy in Kiel, represents positions along a middle class-conservative line. This fall he will assume the management of the industry-financed Institute of the German Economy in Cologne. From 1976 to the end of February 1982 the expert on structural problems belonged to the Council of Experts providing expert advice on the overall economic development at the request of the Federal Government.

Krupp, 49, president of the German Institute for Economic Research in Berlin and member of the Council of Experts since 1982, advocates positions held by the SPD and the labor unions. Hans-Jochen Vogel, the SPD chancellor candidate, selected the economics professor as his economic policy advisor.

SPIEGEL: After 2 years of stagnation, the economy has entered a downhill trend. Some people are afraid it could drag the economy into a depression like that of the thirties. But the views of the economists, whose advice is particularly sought in periods of crisis, appear to be split. You, Professor Krupp, recommend, for example, reflating the economy by public investments. However, you, Professor Fels, emphasize that the economy suffers from too great a cost pressure, and urge easing the burden on the employers by lower taxes and the smallest possible wage increases. Why are you offering such varied remedies?

FELS: In contrast to Japan and the United States, which possess quite

robust market economies and were able to make considerable real wage corrections during the past decade, we here in the Federal Republic and the other Europeans are suffering from high labor costs and an inadequate economic dynamic. If we want to get out of this misery, we have to make some fundamental corrections, fundamental corrections as regards labor costs and also as regards our tax and social systems.

But I consider it wrong to try to revive the economy through more public investments. The cities and municipalities themselves, the ones primarily making public investments, estimate the additional need as slight.

It would be a waste of capital if during the present difficulties the emphasis of the economic policy would be placed on consumer investments, such as perhaps the construction of city halls, public housing or indoor swimming pools with their high costs for upkeep. What we need are investments in the business sector, investments that create work not only for the short haul but also permanent jobs.

KRUPP: I feel that a nostrum, even one that places its money only on public investments, has no chance of success at this time. Moreover, anyway public investments that also help eliminate growth bottlenecks are at stake, not consumer investments.

It would be just as wrong to put everything on cost relief unilaterally. Of course, we have cost problems, too, but in contrast to Mr. Fels I would like to point out that the German enterprises are not so badly off in an international comparison if you consider how the profits are taxed.

And as for the development of the wage costs, the Federal Republic is virtually a model case. In the FRG, too, there have been real wage reductions during the past year on a broad front even though here -- as opposed to the United States, -- there has been considerable progress in productivity. Moreover, the enterprises received strong relief in the FRG in 1982 through declining interest rates, a favorable development of import prices, and through measures promoting investments. But we have to state that the crisis continued to get worse. The best cost relief does not help if the second significant incentive for investment falls by the wayside: when the employers no longer know why they should invest considering that there is no demand for their products.

We need a mixed strategy that links aspects of demand with those of supply, or stated more concretely, of cost relief.

SPIEGEL: Mr. Fels, you do not seem to worry about the sales expectations of business. In your view, is it enough to reduce the cost pressure, so that the entrepreneurs invest more?

FELS: Wherever costs and prices are too high, there is a lack of sales. Every businessman knows that. The lack of demand caused by too high costs and prices cannot be remedied by the state. The attempt to do that would lead to inflation and higher interest. The demand must come from lower

interest and from factor income that is earned in the market.

SPICEFL: Where is this factor income going to originate if things keep on going downhill?

FELS: Things will not continue to go downhill if the production becomes again more profitable. Interest has declined considerably, the construction industry is coming to life and replacement demand has developed for cars and for many production plants. Of course, the wage costs are still too high for a strong and sustained upturn.

KRUPP: Well, a few things have to be clarified. Of course in the long run demand can only come from factor income. From where else? Of course, the state must not create so much additional demand that inflation sets in. Inflation does not solve any problems. But it is debatable whether the lack of demand stems from too high costs and prices. In a market economy, from which both of us start out, demand decides whether the price ideas of the entrepreneurs in line with the costs can be achieved. Now the question arises how to overcome the gaps in demand, so that more factor income is created. And there I must say: the path not only preached to us for years by the supply-side theoreticians but also actually taken in Great Britain and the United States demonstrably does not lead to the result promised to us all the time.

FELS: Objection.

KRUPP: Well, objection noted. Never before has there been such a great increase in the U.S. national debt as has happened in recent years when the supply-side theoreticians promised to reduce the national debt. And why? Because state credits largely are only passively applied. That is to say, debts are incurred to pay the costs of unemployment and to balance the recession-related decrease in tax receipts. If state credits must be taken up, then they should be applied so that the economy receives a lift and more factor income can develop. And however important a further reduction of the interest rate may be for specific sectors of the economy, it is not enough if the enterprises lack sales expectations.

FELS: Well, we are talking here about the Federal Republic which has its own supply problems. And you say: We need a mixed strategy. That sounds very reasonable. But truthfully, there is no easy middle course. It is not possible to lower and raise state deficits at the same time, and it is not possible to reduce labor costs and raise wage income at the same time.

KRUPP: Of course not, but you should not act as if the mixed strategy constitutes swindling your way through. In fact, what is involved is not to reduce and raise deficits simultaneously but what is important is to determine the extent of state borrowing that meets the needs of the demand and of the cost side. It is possible to miss the exact figure -- it is no disgrace if the answer is not exactly correct--but at least an attempt must be made.

SPIEGEL: Mr. Fels, you proceed from the assumption that declining interest rates and pent-up replacement demand will again bring about investments. What is the source of your optimism that new growth will take place even without a boost from the state?

FELS: A boost from the state no longer helps. That is the problem. Therefore, the rate of interest is all the more important. At present our economy is also greatly burdened by weak world market conditions. We have a crisis caused by excessive indebtedness in many of our customer countries. In such a situation the relief as regards costs, taxes and other terms of offers must be greater than in the past, so that a domestic economic revival will take place.

KRUPP: In this respect our opinions differ. A medium-term-oriented demand policy of the state does have positive effects, as the experience with the 1978-1980 future investment program demonstrates.

Today, we agree, the situation is much more difficult on account of the weak world market conditions. That is exactly where the danger exists today, that we are going to slide into a world depression only because people sit there, tighten the belt and wait for an easing of the market conditions.

FELS: It is not true that people just sit there and save. The monetary policy of the country most important to the world economy, the United States, is on an expansionary course. As the budget deficits demonstrate, the financial policy does not pursue any savings strategy. And neither do I regard as a forced savings strategy the German road to reduce budget deficits gradually. If a financial policy were pursued that would bring us greater structural deficits, then interest rates would again rise with serious consequences for private investments. Additional losses in demand would then occur.

KRUPP: That is correct for the United States. But what is important in the Federal Republic is not to cause higher structural deficits but to accept the cyclical deficits and to reduce them as much as possible. But this is my antithesis: if the demand side is neglected, this leads to a greater budget deficit than if credit-financed public programs for more employment are provided from the start.

Moreover, I have to correct your assertion concerning the connection between the national debt and interest rates. Namely there is no evidence that in a situation such as the present one, state borrowing would significantly raise interest rates. At this time, the rate of interest primarily depends on the monetary policy of the central bank and the effect of a little more or a little less new public indebtedness on interest is very slight. All empirical studies demonstrate that.

FELS: In the past the monetary policy was frequently flexible. Therefore, empirical studies cannot provide any significant effect on the rate of interest. However, monetary policy must not be arbitrarily manipulated if

inflation is to be kept in check. Higher public deficits lead to higher interest rates if the monetary policy is stability-oriented.

Thus in 1981 a steeply rising public indebtedness pushed up the FRG interest rate. In 1981-1982, the Reagan government first wanted to accept the higher deficits resulting from the tax reductions in the hope that the deficits would become smaller afterwards. And what happened? Long-term interest rates increased by several percentage points.

SPIEGEL: Isn't that your strategy, too? You, too, want to lower taxes and thus encourage business to invest.

FELS: Yes, but there must be solid financing from the start either by sufficiently large reductions in expenditures or by higher consumption taxes. If deficits are first increased whether by lower taxes as in the case of the Reagan government or by higher expenditures, as you have it in mind, Mr. Krupp, then the sensitive financial markets are becoming immediately suspicious. Then interest rates rise, then private investments are affected and the deficits are becoming bigger and bigger. In the meantime, the U.S. Administration has had to recognize that that does not work.

KRUPP: Excuse me, but I leave the Reagan economic policy to you. I have no intention to claim this policy for me. The central question is: Who is to raise money if private individuals do not do that anymore because they do not invest? And in such a situation the increase in the interest rate is caused neither by the demand of private individuals nor that of the state; it is the monetary policy that boosts the interest rate. After all the central bank wants to cut back the amount of money in circulation in this manner.

The government has no choice in this situation. Either it provides more employment by means of medium-term-oriented investment programs that are first financed by credits or it must accept the debts which are then unavoidable on account of the bad economic situation. No one has a remedy on how the government can avoid this decision. And, Mr. Fels, there is no remedy that makes it possible simultaneously to create more employment and reduce the deficits in the national budget in the short run. In the medium term, more employment leads to a reduction of government borrowing.

SPIEGEL: Mr. Krupp, in your opinion, would unemployment be not so great today if government had incurred debts at the proper time to finance investment programs?

KRUPP: Yes, part of the additional unemployment can be blamed on the financial policy. For the state has done nothing to close demand gaps; it has even widened it through inappropriate economy efforts.

FELS: I definitely challenge that statement. If we had not started the cautious--perhaps too cautious--consolidation of the budget in 1981/82, we would not have such low interest rates today, we would have even much fewer

private investments, especially even fewer construction investments and an even higher unemployment.

SPIEGEL: You, Mr. Fels, are saying in other words: Prior to the start of the fiscal year the government has to determine by how many billions it wants to reduce the deficit. If the economic situation gets worse than expected, the government has to accept the fact that the deficit will be bigger than first assumed. You, Mr. Krupp, are saying on the other hand: in a lousy situation such as the present one the government must start from the beginning with the idea that the new indebtedness cannot be slowed down; therefore, the government has to ensure additional demand through greater borrowing. Mr. Fels appears to prefer a passive role on the part of the state, Mr. Krupp an active role.

FELS: No, I would not characterize the enormous effort required to limit growth of expenditures as a passive role.

KRUPP: But the economy measures reduce demand while we now need a demand trigger. And that doesn't just come from nowhere.

FELS: Aren't we repeating ourselves? At present the state is not in a position to compensate for the lacking private demand. It has enough to do with its own problems.

SPIEGEL: Why isn't it possible for the state to do that now? It functioned beautifully in 1967 when Karl Schiller was economics minister?

FELS: In contrast to 1967 we have today too high a base of the national debt and a cost level that is too high. The Keynesian medicine of stimulating demand is only effective if the supply conditions are in order; the trouble lies only on the demand side. Every attempt by the state to trigger demand through additional state borrowing would only worsen the affliction.

KRUPP: That is too one-sided for me. A policy on the demand side alone is not enough; that is where our situation differs from that of 1967. But I do not propose here a classical Keynesian demand policy but a mixed strategy. In view of the fact that the problems are on the supply side as well as on the demand side, the policy must simply also start on both sides. But at the moment our most important problem lies in the lack of demand. Furthermore, Mr. Fels, you also speak of greater state indebtedness. But what is involved here is not greater state indebtedness than the one you, too, have to accept. You have no remedy either to avoid cyclical state indebtedness.

FELS: Of course we must put up with cyclical deficits.

SPIEGEL: How is it possible for the Federal Government to reduce the mountain of debts and simultaneously ease the burden on business by lower taxes? Is it possible to consolidate the budget if the state limits its expenditures only?

FELS: If we can limit the annual growth of state expenditures to 3-4 percent, then we can certainly achieve consolidation of the budget in the medium term, that is in 4-5 years. And we should restructure our taxes from taxes burdening investments to taxes burdening consumption. For example, we should reduce the trade tax and then compensate for the reduced receipts by an increase in the VAT (value-added tax) or other taxes on consumption. I am not interested in easing the burden on business profits but what is important is to make saving and investing more profitable and more attractive.

SPIEGEL: Mr. Krupp, do you also consider restructuring of the tax system as necessary?

KRUPP: Yes, I agree with Mr. Fels. In my opinion there are many prejudices on the distribution effect of taxes -- such as, for example the prejudice that the VAT is more antisocial than the income tax because the VAT burdens the lower income groups with relatively high consumption more than the recipients of high incomes with a high rate of savings.

Let us take the VAT as we have it, with half the normal tax rate for food and an exemption for rents. It is by no means certain that an income tax, in which many jobholders have moved into higher tax brackets, is socially more just than this VAT.

SPIEGEL: In other words, you do not object if the entrepreneurs as investors were given tax relief and the VAT were raised?

KRUPP: My observation concerning the income tax and the VAT first of all was a general observation on the relationship of direct taxes to indirect taxes. The relationship of entrepreneur and worker taxation is a different matter. There I feel that during the past 20 years we have had hardly any increase in the income tax share of business activities and property while the tax share paid by workers has quite considerably increased.

SPIEGEL: Mr. Krupp, as economic policy adviser to Chancellor-candidate Hans-Jochen Vogel, are you supporting the surtax demanded by the SPD?

KRUPP: Signaling the desire for more social justice is the primary importance of the surtax. The yield from a surtax is not very big but, in my opinion, it is necessary to make it evident that not only pensions are being reduced but that people with high income are also being assessed to finance the problems.

FELS: That is a political justification of the surtax. From an economic point of view, such a measure can hardly contribute to the solution of the problems we have discussed here. Since at present the state finances must be consolidated and simultaneously more incentives for achievement and willingness to take risks have to be created, arguments on distribution of burdens at the moment do not have the same importance as perhaps at some other time.

SPIEGEL: In other words, you are rejecting a surtax?

FELS: A simple surtax has an effect in the wrong direction. The people who make investments, who take risks, who invest their funds, must not be too heavily taxed, otherwise they do not invest. If a surtax were combined with generous writeoff breaks, that would be something quite different. In the fifties, there were considerably higher maximum tax rates than there are today, but at the same time there were more opportunities to avoid taxation by writeoffs, in other words by investments. In this connection the trend toward concentration of wealth is of course problematical. Therefore, as part of the wage policy more would have to be done for a worker's share in profits and wealth, so as not to permit development of a distortion in the distribution of wealth.

KRUPP: But it is not enough to demand social balance in principle only. The social consensus in our country is also economically important. Endangering it makes the solution of our problems more difficult. Every government has to pay attention to that. The objection made to the surtax, as it was discussed in the SPD, cannot be that it is hostile to investment. For investments were supposed to be exempt from the surtax.

SPIEGEL: Mr. Fels, do you regard labor costs in the FRG as too high. Undoubtedly you consider a wage freeze, as proposed by Labor Minister Bluem, as helpful?

FELS: I consider the proposal as very helpful. The discussion on a wage freeze--it can only involve a voluntary wage scale freeze--makes the public aware that the labor costs have not yet dropped to the level from which a lasting recovery is possible.

SPIEGEL: How long should the wage freeze last?

FELS: My advice: we should have a wage scale freeze up to the time when unemployment drops below one million. Let us tell those who worry about demand that in this case the monetary policy has more expansionary leeway because then the danger of price increases is much smaller. The interest rate could quickly drop even further. Actual wages, that is the wages actually paid, remain flexible. For there are always sectors in which manpower is scarce and the actual wages can therefore rise.

SPIEGEL: You are not afraid that a wage freeze will weaken the purchasing power of broad income groups?

FELS: The purchasing power argument belongs into the sphere of popular economics. The purchasing power remaining after all deductions from a gross wage increase is minimal. However, the cost effect is fully felt. It causes a loss of demand because another part of production and of jobs drops out of the market and planned investments founder on the break-even point. I assume Mr. Krupp differs with this opinion.

KRUPP: Don't worry, Mr. Fels, of course I hold a different view. You cannot simply assert that the purchasing power argument is wrong. It goes

without saying, wages are costs and can be too high; but it can be just as indisputable that wages constitute purchasing power and from that aspect can be too low. The wage rate should be so proportioned that it meets both criteria. The labor unions say: wages as high as possible; the employers say: wages as low as possible. We need the correct course in between. And not even the term "popular economics" can keep you from having to deal with the objections to such a simplistic argumentation. I am really surprised that you do not want to consider the state deductions from pay as purchasing power. After all, what is involved here is the situation of the public budgets over which we have jointly worried so much.

SPIEGEL: Well, the zero line--that is no wage increase--could be the correct line.

KRUPP: For three reasons that is not the correct line: You must not simply start from the assumption that our real wage level is generally too high. Undoubtedly there are some sectors where this is the case; but it is very difficult to determine how high or low wages as a whole must be to avoid high unemployment.

SPIEGEL: Is it right to simply say: wages are too high whenever there is unemployment?

KRUPP: Such an assertion is theoretically questionable and empirically not verifiable. Then it must be possible to demonstrate that a decrease or a weaker increase in real wages in fact always entails more employment. But that is not the case. In my opinion, especially in the present crisis it is not a defensible argument to act as if the wages had no effect on purchasing power. Through a wage freeze, which constitutes a reduction in real wages, I take the high risk that demand declines and the economic situation gets even worse.

However, another argument against a wage freeze is more serious: the wage freeze holds the danger of the effect of catching up. Immediately after the entrepreneurs have invested, perhaps encouraged by a wage freeze, a new wage increase may possibly occur. As far as it is at all necessary, therefore a slow adaptation of the real wages at any rate is better than the heavy-handed method of a wage freeze.

FELS: The connection between level of wages and employment has been very well documented by careful empirical research. Apart from that, you are making a three-cornered argument.

KRUPP: Objection. I stick with my assertion that such a connection thus far has never been empirically found in a methodologically indisputable manner. And also, why three-cornered argument?

FELS: I said what is involved is a voluntary wage freeze. When you state that the real wage losses will be made up afterwards anyhow, then this is no true wage scale freeze. When you further assert that the real wage level is not generally too high but only in some sectors, then my answer is:

contractual wages should not be raised for this very reason. Then the correct wage structure can develop via the actual wages. A contractual wage freeze would not stop all wage adjustments. Workers in especially short supply could be given extra pay by the enterprises while other workers less in demand would not get any wage increases. From experience, such a correction of the wage structure cannot be implemented in collective bargaining.

SPIEGEL: Where are the wages too high?

FELS: In case of doubt, in those sectors and in those occupations in which unemployment is especially pronounced.

KRUPP: Thus you are assuming what you are supposed to prove. It is certainly correct that we have problems with the wage structure. In my opinion, it is better for them to be solved as part of collective bargaining.

SPIEGEL: Are high wages a main cause of unemployment or aren't they?

FELS: Yes, the present unemployment is a sure indicator that real wages are too high. Of course, some of the unemployment is cyclical in nature and thus is not directly linked to high real wages. Roughly quantified, there are perhaps 500,000-700,000 workers who could find work at existing jobs. However, the major part of the high unemployment is structural in nature, that is no jobs are available for well over one million job seekers. These jobs can be created only through more investments in the enterprises. This requires an adjustment in real wages.

KRUPP: There is no argument that we need more private as well as public investments. However, there is a question whether cost relief is sufficient. The entrepreneur also needs sales prospects. That is the only way in which jobs are created. Moreover, I doubt that wage restraint would lead to higher employment at this time. A significant part of the unemployment results from the fact that the enterprises make rationalization investments, thus releasing especially unskilled workers. I cannot imagine that a more restrained wage policy would induce the entrepreneurs to rescind the investments and to reemploy unskilled labor instead.

What is more, I am certain of the following: Our opportunity consists in continuing this modernization process consistently and thus to create the conditions for safeguarding the level of our real wages. Therefore, we should do everything we can to so raise productivity that it will be possible to continue the real wages that have been achieved.

FELS: No objection to the modernization strategy that contributes to making today's too high wages into normal wages through increases in productivity.

SPIEGEL: ...that is wages at which full employment is prevalent.

FELS: Exactly. It takes years for the modernization strategy to take effect because the best technologies required for it must first be developed and cannot be found in the street. However, real wages could be adapted very quickly and with immediate effect.

KRUPP: You are wrong. With your wage freeze you reach your goal of higher employment more slowly than with a strategy also taking costs and sales into account.

FELS: No, Mr. Krupp, we are now talking about promotion of productivity, not about demand policy which gets us nowhere. Moreover, you are confusing progress in productivity artificially achieved by excessive wage pressure with the productivity progress resulting from true innovations. Wage pressure causes less productive plants to shut down and jobs to be eliminated by rationalization. The advance in productivity resulting therefrom is actually not desired because it leads to a reduction in employment. What is desired is the advance in productivity which results from improvements in the qualification of the labor force and the quality of the capital goods and of the organization. It increases employment. A modernization strategy must aim at an advance in productivity.

KRUPP: This indicates that the wages should not be raised, so that no labor saving innovations are introduced and the productivity advance is as low as possible. Such a strategy is too defensive for me.

FELS: If you accelerate the productivity advance through high wage pressure, then you'll never return to full employment.

KRUPP: Why is it impossible to attain full employment with high productivity advance?

FELS: Assume we are going to double wages. That would probably also double productivity within a few years but we would have only half the number of jobs.

KRUPP: I do not want to double wages. In the wage policy I want to find the narrow borderline between too high wage costs on the one hand and too weak demand because of too low mass purchasing power on the other hand.

SPIEGEL: What do you think of the view that the growth society is at an end, that full employment can only be achieved by redistribution of labor, that is by reducing the working hours?

FELS: I am certain we are not again going to achieve the growth rates that we had in the fifties and sixties. Perhaps we don't want that again anyway. But I regard as a fable that a specific production advance is being set, which releases more and more manpower with a small growth of the social product. The productivity advance greatly depends on the wages. If I get correspondingly few rationalization investments through a cautious wage policy, then the increase in productivity will not be so big. In that case

fewer jobs will be removed by rationalization than will be created by increases in capital investments.

SPIEGEL: Thus you want to get back to full employment through lower wages rather than through shorter working hours?

FELS: Yes, there will again be more work if the wages are in line with market conditions. In principle there may well be reasons to reduce working hours. In the past there have also been reductions in working hours. If people voluntarily want to give up income in favor of leisure time, then this wish should be respected. But at the moment the readiness for such a voluntary reduction in working hours is obviously very slight. Those affected would have to accept further losses of income.

KRUPP: Since we have not been able to agree on the wage question, it is not surprising that I cannot follow your argumentation in the question of reduction of working hours. Also in the past we have mastered our problems in part through reductions in working hours of considerable extent. In recent years this process has almost stopped without any reason evident to me why that should be so. On the contrary, I am of the opinion that it would make sense that we would let the high productivity advances benefit not only the enterprises but in part also pass them on to the employees in the form of shorter working hours.

Reduction of working hours is undoubtedly not the easy remedy with which we can solve the employment problems we have discussed. But it contributes to relieving the labor market and therefore should not be made a taboo subject or, as was done by you, simply pushed aside.

SPIEGEL: In your estimation, how great is the danger that we might slip into a depression of the magnitude of the thirties?

KRUPP: The indebtedness of the developing countries and of the East Bloc is so great that they have to reduce their purchases on the world markets. Now if the industrial countries pursue a policy of economizing, restriction, then, in my opinion, a downward trend is inevitable. What we need is a concerted action of the big industrial countries leading to a more expansionary policy. But also in the individual countries more cooperation and coordination are necessary; especially monetary, fiscal and wage policies must be better coordinated. The catastrophe cannot be stopped unless this cooperation occurs.

FELS: I see the danger of such a depression not for the near future, but for the next 2-3 years an international concerted action would not help much. Much more important is a better national coordination among labor unions, businesses, and government to achieve the necessary internal adjustments. If that does not succeed, I would not exclude the possibility that we can get involved in a depression situation in the second half of the eighties.

You should look at the unemployment of the recent crises. In 1967 we had approximately 460,000 unemployed; in 1975, 1.1 million; and we will probably

have 2.5 million unemployed at the low point of this crisis. If nothing changes, there will be a few million more unemployed in the subsequent crisis. In 1983/84, there will then be only a very short and weak upturn followed by a very long and deep recession.

SPIEGEL: Professor Fels, Professor Krupp, we thank you for this discussion.

12356

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NEW MANAGEMENT FOR REGIONAL INDUSTRIAL ADMINISTRATION

Paris LES ECHOS in French 26 Jan 83 p 9

[Article by Francois Regniault: "Jean-Pierre Chevenement Places His Men in the Country"]

[Excerpts] Chevenement is positioning his pawns. In 1983 the minister is going to implant in the regions the power that he has built in Paris.

In 1982 he merged the Departments of Research and Industry, obtained for his brand-new state ministry credits envied by his colleagues and created an acronym--MRI [Ministry of Research and Industry]--which, by analogy with the Japanese MITI, indicates the level of his ambitions.

In 1983 he will create Regional Offices of Research and Industry (DRRI's) throughout France. Their powerful directors, supposedly working "under the authority" of the prefects, the representatives of the republic, will, however, be inspired from the fourth floor of a slightly dilapidated building at 13, rue de Bourgogne in Paris, seat of the former Industrial Affairs and Regional Action Service of the Ministry of Industry, which last October was renamed the Department of Regional Affairs of the Ministry of Research and Industry. The DRRI's have the authority to coordinate the activity of the regional delegations of Parisian services (or agencies) and have industrial policy credits available. They are also responsible in each region for encouraging the authorities of the local economy to democratically approve the national industrial policy.

These DRRI's, guardians of ministerial discipline, whose acronym with a double "r" sounds like a whistle, will be established by decree. The text is being decided upon by the Matignon and publication is expected in 2 or 3 weeks.

Credits and Men

What do the ministries have? Often ambitious policies and always inadequate credits. As well as statistics and information.

What do the regions have? The ability to finance, but no overall policy, no information, no statistics, no technicians. What does the planning law call for? For the regions to sign development plan contracts with the state (the decree appeared in the "Official Bulletin" of 23 January). You can quickly see who can bring what to the contractual policy between the state and the regions.

The DRRI's were created within this general framework.

The 17 DII's [Interdepartmental Offices of Industry] will become 22 DRRI's. The first change is a redefinition of geographic jurisdictions: there will be one office per French metropolitan region.* Secondly, the DRRI's will annex the Regional Delegations for Research and Technology [DRRT's] where they exist. This will be the manifestation at the regional level of the national merger between research-technology and industry. $DII + DRRT = DRRI$. Up to here the equation is simple.

The Regional Affairs Office of the MRI wants to give resources to the regional directors. On the average, each office will have a good 100 employees available. And there is the possibility of including the good experts from the Departmental Equipment Offices (DDE), of whom there are too many since a certain number of jurisdictional areas were transferred to the localities. These human resources can be used to strengthen the departmental staffs of the DRRI's.

Consistency in the Delegations

In addition, industrial policy credits of the ministry will be decentralized. Technically, this means that they will be placed at the disposal of the representatives of the republic, then released by delegation by the DRRI's. These are not substantial credits. Here we go from the original equation to the current negotiations on human and financial resources.

There remain the speculations, some of which are not lacking in substance.

To have an effective policy, the DRRI's must make their actions consistent with those of the regional delegation of ANVAR [National Agency for the Enhancement of Research], ADEPA [Agency for the Development of Automated Production], ANCE [National Agency for the Creation of Business], AFME [French Agency for the Control of Energy] and the Data Processing Agency.

Territorial Development

Knowing that the industry offices will work under the authority (which implies the incentive) of the representatives of the republic more than under their direction (which is limited to supervision); but also knowing that each delegation, like the current DII's, are victims of the centralizing tendency which consists of taking orders directly from Paris and that each delegation's policy is independent of the others, and there is sometimes rivalry between them in charming local economic and political powers; and lastly, knowing that the background (ENA [National School of Administration], Polytechnical School and

*There will also be offices in the overseas regions.

School of Engineering or School of Mines, etc.) of the various officials plays a role in this complex situation and that political pressures are also present, one thing appears clear: decentralization will give the representatives of the republic, in terms of internal diplomatic activity, a surprising compensation for what the prefects believe they have lost in external prestige.

A second potential remark is that within an evolutionary logic that its designers have never hidden, the DRRI's are going to become the indispensable partners of the regional economic world: CCI [Chamber of Commerce and Industry], regional councils, professional unions, and businesses. As distributors of funds, they will enjoy the credit granted to those establishments dependent on the state and will above all have the advantage of skill and information.

The DRRI's are the ones who will be able to guide the small and medium-size industries through the jungle of all the available aid. They, or their successors, will assist the founders of businesses, will look for partners, will encourage technological exchanges and will unravel the problems of firms in difficulty. In short, they are the ones who will take care of regional activity and territorial development.

With few exceptions they will do this like the development agencies or services set up by the regional councils do. Or as has been done for several years by DATAR (Delegation for Territorial Development and Regional Action) and its delegates or representatives for industrialization.

It can be thought that there are enough joint objective interests between the regional councils and the DRRI's so that the emphasis is placed on this "complementarity" that is so useful when rivalry is rejected. On the other hand, there will be a superb jurisdictional overlap between Chevenement and Rocard, with DRRI and DATAR together.

Despite denials by the interested parties--DATAR's head has firmly stated his satisfaction at seeing sources of regional development increase, but refuses, however, to give an official opinion on the "ministerial decision" of creating the DRRI's. The question has already been asked: in the end, who within the government is responsible for regional activity and territorial development?

4720

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MINISTERS SEEK PLACES TO CUT FR 20 BILLION FROM 1983 BUDGET

Paris LES ECHOS in French 3 Feb 83 p 3

[Article: Budget: How to Freeze 20 Billion]

[Text] On 1 September of last year, the Council of Ministers announced that they were setting aside Fr 20 billion in the 1983 budget. How is this sum to be identified? The head of government has just sent a letter of instructions to all the ministers. It is not a matter of imperative taxation but rather an appeal to the cleverness of the various government managers to free the Fr 20 billion.

It should be noted that there is no question at the moment of canceling it. The inevitable debate on the obligatory supplement will come up again after the municipal elections and the suggested belt-tightening will perhaps become final. In the meantime, the 1982 provision allows, in principle, each ministry to know its margin of action, with the possibility of juggling ordinary expenditures.

Overall, 25 percent of the program authorizations and the corresponding payment funds are frozen. In reality, the modalities are extremely variable depending on the programs. Research and defense will escape this rigorous measure.

In addition, the budget minister insisted that the freeze involving the use of feasibility study funds be increased to 50 percent. It has also been requested that, between now and the end of the month, proposals for savings or reform whose efficiency must be at least 1 percent of the total of all government economic and social interventions (some Fr 300 billion) be addressed to Laurent Fabius.

Finally, it should be emphasized that the managers can innovate and proceed with fund retentions in the categories of their choice.

0969

CSO: 3519/316

LOST PRODUCTION DUE TO STRIKES HARMS INDEBTED AUTO INDUSTRY

Role of Government

Paris LE MONDE in French 8 Feb 83 pp 1, 42

[Article by Bruno Dethomas: "The State Plans To Increase Its Support of the Automobile Industry"]

[Text] Citroen-Aulnay: The Secretary of the CGT Branch Is Dismissed

On Monday 7 February the management at Citroen in Aulnay announced that it had sent letters of "conservatory dismissal" to 10 employees and informed them that, according to the results of the inquiry, "a layoff measure is planned" against them. Among these 10 dismissed individuals there are 5 protected employees, including Akka Ghazzi, secretary of the CGT union at Citroen-Aulnay, considered to be one of the leaders of the events of 2 February. Activity was normal in all areas but there was 20 percent absenteeism in the shops.

At Renault in Flins management believes that the situation has returned to normal, except for the electrolysis shop where the conflict continues (discussions are being held). In the R-5 sheet metal shop at the beginning of work Monday about 40 strikers were counted, but this "core" was gradually eliminated and production was normal.

These strikes, which caused the production of 50,000 cars to be lost in January, affect the financial future of already heavily indebted French firms. The administration is therefore asking itself how to help this industry, which, on the larger scale from insurance to taxis, employs almost 2 million.

If the concern of the administration can be estimated on the basis of number of meetings held, then there is hardly any doubt that the automobile is causing a lot of worry. You can no longer keep count of the committees, commissions and advisory boards that have been formed the last month up to the highest levels of state. The result will undoubtedly disappoint those who were expecting an automobile plan; we will be falling back on the old formulas (assistance and price increases). Perhaps the diagnosis itself has not been unanimously accepted. This industry directly employs (construction and accessories) a little over 400,000 individuals and is one of the major clients of steel products, aluminum, glass, rubber, zinc, plastics and textiles.

How, then, can we not be worried by these strikes that the unions find hard to explain and difficult to control and by a substantially deteriorated financial situation of the two national firms and a very uncertain future?

We know that 1982 has been the year of lost opportunities: first of all the strikes (with almost 100,000 cars not produced because of this), an exchange rate that has not been very good for French manufacturers since 1980, difficulty absorbing the sizable investments of previous years (over 20 billion for Renault, almost 15 for Peugeot from 1980 to 1982), and, lastly, the price freeze, have affected the productivity and the competitiveness of national firms. As a result, they were unable to benefit from an exceptional domestic market (+12.1 percent), where competition was extremely active because neighboring markets were so depressed. Renault barely maintained its market share and Peugeot's declined. At the same time, losses grew: by about 1.9 billion francs for Renault (with, it is true, only 300 million in the automobile sector strictly speaking) and probably 2.5 billion for Peugeot. Since this last firm has had other unprofitable years (6 billion in losses in 3 years), the question of the survival of the "lion" of Sochaux has been raised, at least its survival among the top 10 world producers. Still recovering from the 1978 purchase of Chrysler Europe, its short, medium and long-term debt is approaching 27 billion francs (36 percent of the turnover), while its capital stock has disappeared by half the last 3 years.

The sale of the Ravi stores at the end of 1982 for 137 million francs and the trimming back of the almost dead branch Matra-Automobiles--decisions where some see the imprint of the firm's number two man, the ambitious Jacques Calvet, recently arrived from the BNP [National Bank of Paris]--are no longer enough.

As for Renault, with only relatively slightly less debt than its competitor despite a capital subsidy of 1 billion francs in 1982 from the state-stockholder, it can no longer let its competitiveness be touched.

One-Time Assistance

This is why the strikes cause concern. Already 500,000 [as published] cars have been lost since 1 January (half of 1982 in 1 month). In addition, the salary agreement signed at Renault (during a full strike of the Flins painters), which will undoubtedly have an impact on the sector, goes slightly over the government's objectives (with a 21.7 percent increase for 1982-1983, compared to the recommended 21.6 percent). The difference is slight, but aside from the fact that the agreement includes a sort of saving clause for purchasing power, it leaves Renault's management with its back to the wall because it can no longer make concessions if there are new demands without affecting Delors' policy.

Without mentioning the "religious fundamentalism" denounced by Mauroy, which is undoubtedly one of the causes of these outbursts, social movements have many other causes (LE MONDE 29 January).

The administration is, therefore, thinking of a way to avoid too great a change in the competitiveness of French industry. They are not preparing an "automobile plan" (as the head of state announced before reversing himself a few days later at the Automobile Show), but a few specific actions are planned.

However, with the release of Citroen's BX, Peugeot's 205 and the new model promised each year by Renault, the rejuvenation of the line is under way. The success of these models and continued investment at 7 to 8 percent of their turnover will be determining factors for the future of the two firms. Although this goal seems within reach of Renault, it will be more difficult for Peugeot. And no one knows if the Sochaux firm, quite worried about its independence, but too indebted to continue its effort even if the Peugeot family plays the role of primary stockholder as it always has, would accept state aid. Mr. Parayre, its president, stated to LE MONDE in October 1982, "I am not expecting the state to assist us, but rather to recreate normal operating conditions for firms." It is not certain that this is still the firm's position nor that the management is unanimous on this point. Apparently, state aid will not be accepted unless it is in the general framework of the automobile industry and if it does not contravene the EEC rules.

The automobile industry is currently adapting by decreasing the number of employees in the Paris area. That is one of the consequences of the current strikes, perhaps also one of the causes. This change has already made a significant start since Billancourt, for example, has lost half of its industrial potential and 10,000 jobs in 25 years. Assistance should be proposed to the French firms, therefore, to locate in the areas most affected by the crisis some of the shops from the Paris factories. In addition, superguaranteed loans will be offered to increase the use of robots in the French production. Lastly, research, especially in the area of energy savings (the 3-liter vehicle), will be continued with state aid.

But financial recovery is more a function of prices than interventionism. This is what justified the authorization given to manufacturers to raise their rates by an average of 2 percent starting in February. Because of an automobile price increase of 7.7 percent in 1982, 2 points less than the inflation rate, the firms were counting on this, especially since their costs increased. In addition to salaries, the price of steel increased 30 percent in 1982 thanks to the effect of ECSC decisions and the devaluation of the franc, and it should increase in 1983 by another 18 percent. Last year the increase in steel and plastic prices absorbed 40 percent of the automobile price increase.

Even though a 1 point increase corresponds to 600 million additional francs for Peugeot and Renault, will the moderation agreement signed on 4 February by the sector which calls for a maximum automobile price increase of 7.5 percent in 1983 (French manufacturers wanted 10 percent) leave an adequate margin?

The administration is also getting ready, as it should, to play its role as Renault's stockholder (its capital subsidy should be slightly less than in 1982). But in any case it will be very difficult for the two national firms to recover their financial balance in 1983 if the present conflicts continue.

Effects of Strikes

Paris LIBERATION in French 8 Feb 83 p 13

[Table: "5 Weeks of Strikes in the Automobile Industry"]

Plant Factory	Car Built	Number of Employee	Union Representation	Strikes and Strikers
Renault Flins	R 5 and R 10	17,400 (53% immi- grants)	CF (elected in 81): 5 CGT, 6 CFT Staff Representa- tives (May 82): 19 CGT, 18 CFT, 1 FO	6-28 January: strike at the paint shop (1,000), then at the delivery center (400). Electrolux still on strike 1-7 February: work stoppages to demand compensation for the 10,400 employees who were laid off
Renault Billancourt	R 4 sedans Van	12,400 (55% immi- grants)	CF (Nov 82): 6 CGT, 1 CFT DP (Jan 83): 22 CGT, 6 CFT, 2 FO	11-20 January: strike in the paint shop (250) 21 January - 1 February: strike in the upholstery shop (195) 21-27 January: 4-day strike in the mechanical assembly shop
Chausson (Renault/ Peugeot subsidiary)	'Traffic' light trucks (Renault) .39 (Peugeot)	3,700 (52% immi- grants)	CF (Dec 82): 7 CGT, 2 CFT, 1 FO DP (May 82): 11 CGT, 5 CFT, 3 FO (DP elections scheduled when work resumes)	Chausson has been shut down since 7-17 January. The strike spread from the "Traffic" assembly lines to the presses, the 19 lines and the steelworks.
Citroen Levallois	2CV	3,000	CF (81): 7 CSL, 2 CGT DP (Jun 82): 8 CGT, 5 CSL	19 January - 2 February: the body and metal shop struck first and the conflict spread rapidly. Work stoppages occurred at the beginning of January to demand the rehiring of a laid off worker
Citroen Nanterre	Foundry; machining & assembly of engines	2,200	CF (Dec 82): 6 CSL, 2 CGT DP (Apr 82): 11 CSL, 1 CGT	25 January - 1 February: the striking east- ing (foundry) shop was followed by other shops
Citroen Aulnay	CX, Visa LNA	6,500 (72% immi- grants)	CF (82): 5 CGT, 4 CSL DP (Jun 82): 12 CGT, 6 CSL, 1 CFT	On 2 February 17 were wounded at Aulnay during a fight between CGT demonstrators and CSL workers. On 3 February foremen and workers in the finishing shop struck to ask for the removal of the instigators of the aggression. Produc- tion was paralyzed until the evening of 4 Feb.

Firm Factory	Demands and Attainments	Production Losses
Renault Flins	Demands: Fr 100 monthly and advancement to the higher qualification category. Attained: between Fr 190 and 275 Layoffs will be compensated at 74%, plus optional additional work on Saturday	40,000 vehicles
Renault Billancourt	Demands: guarantee of a Fr 180 bonus, advancement to a higher qualification category, additional shower time. Claims quickly aligned with those at Flins. Attained: maintaining the bonus, plus additional Fr 105 bonus for painters. For upholstery, Fr 250 on 7 March and improvement of classifications	12,000 vehicles
Chausson	Demands: Fr 500 monthly, narrowing the salary scale, payment for hours on strike, 25% reimbursement of immigrants' airplane tickets and demands on the subject of "dignity"	500 vehicles
Citroen Levallois	Demands: 60% payment for the 30 hours of strikes at the beginning of January. Refusal of the 3-day layoff scheduled by management. Attained: no layoffs if 500 workers agree to be transferred to other factories of the firm. Fr 350 payment for the hours on strike. Fr 120 raise as of 1 February.	1,000 vehicles
Citroen Nanterre	Demands: Fr 300 monthly, 5th week of vacation to follow the existing 4 weeks Attained: Fr 120 raise as of 1 February. Make up of the hours struck on 2 Saturdays, with a Fr 100 bonus each Saturday	
Citroen Aulnay		1,400 vehicles

CE = Joint production committee
DF = staff representatives
FO = Workers Force
CSL = Confederation of Free Unions

BRIEFS

CREUSOT-LOIRE USSR CONTRACT--The Soviet central purchasing bureau, Technopro-import, has for the first time placed an order with the Creusot-Loire firm for a set of several "Supergazette" type rotary printing presses. The signing of this contract took 2 years of negotiations. The rotary printing presses will be installed in Moscow and Gorki and will be used primarily to print school books and popular works. The equipment will be delivered in July and October. [Text] [Paris LES ECHOS in French 21 Jan 83 p 8] 9720

CSO: 3519/291

INCREASED CIVIL CONSTRUCTION COOPERATION WITH IRAQ PLANNED

Lisbon DIARIO DE NOTICIAS in Portuguese 6 Mar 83 p 4

[Text] According to a disclosure made by the assistant state secretary to the minister of housing, public works and transportation, 15 Portuguese civil construction firms may soon be participating in Iraqi Government projects.

Ferreira de Lemos, who returned from Baghdad, submitted to the Iraqi minister of housing and reconstruction, Fadil Husayn, a "dossier" containing projects of 15 business firms selected by the Association of Civil Construction Business Owners which desire to cooperate on construction works in Iraq.

The assistant state secretary also held a meeting in Baghdad with the technical cadres of the Portuguese civil construction firms with projects in Iraq, to whom he reported on the talks held with the Iraqi minister.

On this occasion, the member of the Portuguese Government reiterated the invitation to Fadil Husayn, which had been formalized by Minister Viana Baptista on his trip to Iraq in November, to visit Portugal.

Moreover, Ferreira de Lemos emphasized the effort by both governments to reinforce the cooperation, specifically in the sectors of civil construction. He added that the Iraqi leaders had shown receptiveness, considering the need for equilibrium in the trade balance between the two countries, which is currently rather unfavorable to Portugal, owing to the purchases of Iraqi oil.

Exchange With Brazil

According to a statement made in Porto by Ambassador Dario Castro Alves, the commercial exchanges between Portugal and Brazil showed a negative balance for our country, in a proportion exceeding three to one, during the first 9 months of 1981.

The Brazilian ambassador added that the Brazilians exported goods worth 5.22 million contos to Portugal during the aforementioned period, while they imported 1.17 million contos' worth of Portuguese products.

DETAILS ON INCREASED DEFICIT IN BALANCE OF TRADE

Lisbon O DIA in Portuguese 9 Mar 83 p 5

[Text] Yesterday, the National Statistics Institute (INE) reported that in the first 11 months of 1982 the deficit in the Portuguese trade balance reached 383 million contos.

This deficit resulted from 673.8 million contos worth of imports and 290.8 million contos worth of exports.

With respect to the same period in 1981, it was found that imports and exports increased, in escudos, 20 percent (561.5 million contos) and 22 percent (234.6 million contos), respectively, with a deficit 17.2 percent larger (it had amounted to 326.9 million contos for the first 11 months of 1981).

The rate of coverage of imports by exports during the period under analysis was 43.16 percent; representing an improvement over that for the same period in 1981 (41.7 percent), but well below that of 1980 (48.19 percent).

In the transactions with the OECD [Organization for Economic Cooperation and Development] countries, the trade deficit was 222.8 million contos, or 18.5 million more than for the same period in 1981; and the rate of coverage of imports by exports rose from 46.88 to 51.68 percent.

The EEC countries, Spain, the United States and Japan account for 93.5 percent of the trade deficit with the OECD zone.

Deficit With EEC Was 103 Million

During the period under analysis, Portugal exported to EEC goods worth 166 million contos (57.1 percent of the total exports), 42 million contos more than in the first 11 months of 1981, and imported 209.3 million contos (40 percent of the total) in goods. In 1981, imports had totaled 214.7 million.

The trade deficit with EEC (103.3 million contos) was 12.6 million higher than that recorded for the same period in 1981, resulting essentially from the commercial exchanges with France (20.6 million contos), the Federal Republic of Germany (40.6 million) and Italy (23 million).

The trade deficit with the United Kingdom declined from 12.4 million contos during the first 11 months of 1981 to 7.8 million in the same period of 1982, and the rate of coverage in the trade with EEC rose from 57.3 to 61.64 percent.

During the first 11 months of 1982, Portugal imported from EFTA (European Free Trade Association) 45.7 million contos worth (a 20 percent increase), and exported to that economic zone 37 million worth, as compared with 32.1 million in the same period of 1981.

Portugal's favorable trade balance with the former escudo zone declined from 15.9 million contos during the first 11 months of 1981 to 10.9 million during the same period last year.

The Portuguese imports from these countries registered a slight increase from 2.4 million contos during the 1981 period under analysis to 2.9 million during the first 11 months of last year.

On the other hand, the exports declined in value (18.3 million contos for the first 11 months of 1981 to 13.8 million for the same period last year).

The worst results in the trade with the escudo zone in 1982 stemmed mainly from the decline in exports to Angola (7.8 million contos less than in the first 11 months of 1981), which did not exceed 5.5 million contos, in contrast to 13.3 million in 1981.

The United States continued to show the largest balance in the commercial exchanges with Portugal on the country level (55.9 million contos), representing 14.6 percent of the total trade deficit, and holding second place among the Portuguese suppliers (73.767 billion contos), followed next by the Federal Republic of Germany (78.730 billion), and then France (57.443 billion) and the United Kingdom (50.767 billion).

The United Kingdom, with 43 million contos worth of purchases, is still the first-ranking customer for Portuguese products, followed by the Federal Republic of Germany (38.1 million) and France (36.9 million).

The products with the greatest effect on the trade balance, in imports, are the mineral ones (oil), machinery, equipment and electrical and transportation materials; and, in exports, textiles (83.7 million contos), machinery, equipment and transportation material (40.2 million), and cork and its finished products (24.2 million).

2909

CSO: 3542/78

AGRICULTURAL COOPERATION AGREEMENT WITH ISRAEL

Lisbon O DIA in Portuguese 5 Mar 83 p 10

[Text] A delegation from the Ministry of Agriculture, Trade and Fisheries, headed by the director of the Office of International Cooperation, was in Israel recently, holding talks with the heads of the Israeli Ministry of Foreign Affairs' Division of International Cooperation, and signing a protocol which includes a detailed program of cooperation for the years 1983-84.

The initial accord on cooperation between the two countries in the area of agricultural development was signed in 1977, after a visit paid to Lisbon by the Israeli minister of agriculture.

Since then, talks have been held, rotating between Jerusalem and Lisbon, on programs for cooperation, followed by protocols, signed to carry out those same programs.

In the new protocol, Israel will cooperate with Portugal in various aspects of the agricultural area, specifically, vegetable crops, rural extension, dairy cattle raising and organization, marketing and agricultural cooperation. Portugal, for its part, will also cooperate with Israel in the area of fishing, agricultural research and products derived from oil.

While in Israel, the Portuguese delegation visited settlements with agricultural development, and had an opportunity to contact the individuals involved in them.

2909

CSO: 3542/78

BRIEFS

TRADE WITH FRANCE DETAILED--Last year, Portuguese exports to France increased 31.5 percent over 1981 (3.733 billion versus 2.828 billion francs). The exports of French products to our country, in turn, after having reached a record 5.423 billion francs in 1981, declined slightly in 1982, to 5.253 billion. Hence, the coverage of imports by exports last year reached a level of 71.1 percent (the total average fluctuates around 42 percent); which is the best result ever attained by Portugal in its trade relations with France. Moreover, our exports to France have registered consecutive increments: 53.4 percent in 1978-79, 31.7 percent in 1979-80 and 29.4 percent in 1980-81. Thus, France has become the market on which the sales of Portuguese products have advanced most consistently in recent years. However, the difficult situation being experienced by French foreign trade (with a deficit of 9.58 billion francs in January) could prompt the Paris government to adopt austerity measures. In the event of this, Portuguese textiles would not fail to be affected. [Text] [Lisbon DIARIO DE NOTICIAS in Portuguese 7 Mar 83 p 9] 2909

TRANSPORTATION STRIKE--On the first of 4 consecutive days of strikes in transportation, as of 1430 hours today Lisbon is without trains, boats connecting with Barreiro, and Rail and Metropolitan streetcars; and the same thing will take place starting at 1430 hours tomorrow. The CP [Portuguese Railroad Company] strike will last until Friday, and for the same period of time there will be a shutdown by Rail workers affiliated with UGT [General Union of Workers] (those associated with CGTP [General Federation of Portuguese Workers] are striking only simultaneously with those from the Metro). During this period, there will be no toll collections on the freeway between Vila Franca de Xira and Lisbon, at the bridge over the Tagus and in the suburban area of Porto; in addition to which there is a ban on the circulation of heavy freight vehicles on the main accesses to both cities between 0800 and 1000 hours, and from 1730 to 2100 hours. However, an alternative system to trains is operating, with the use of streetcars in the suburban sections of Lisbon, and some international connections are also assured. [Excerpts] [Lisbon DIARIO DE NOTICIAS in Portuguese 8 Mar 83 p 1] 2909

FOREIGN LOANS AUTHORIZED--According to an official document published in DIARIO DA REPUBLICA last Saturday, the minister of finance and planning has been authorized to contract two foreign loans amounting to \$81 million (approximately 7.3 million contos). The first loan now authorized (amounting to \$30 million) will be used to finance projects and programs to diversify the sources and to economize on the energy used in industry. The other loan (totaling \$51 million) will be allocated for investments to develop the tramontane northeast. In both instances, the loans

will be contracted with the International Bank for Reconstruction and Development. Furthermore, the same official organ published the granting of the state's backing given to Setenave, allowing this firm to contract a foreign loan amounting to \$50 million (nearly 4.5 million contos). This loan will be used to provide Setenave with the financial conditions to complete the S-106 supertanker. [Text] [Lisbon O DIA in Portuguese 8 Mar 83 p 4] 2909

EEC ASSISTANCE--EEC has granted Portugal non-reimbursable financial assistance amounting to 5.05 million European currency units (ECU), representing approximately 440,000 contos, for the construction and outfitting of 10 secondary schools in the northern part of the country. The respective financing contract had already been signed in Brussels, this financial contribution being a part of the pre-membership aid program that has been under way since 1980 (275 million ECU in loans and donations), for the purpose of backing the integrated development of the economy, with a view toward entry into EEC, specifically through a more balanced regional development. The Community has now unblocked the following non-reimbursable financial assistance: 10 million ECU for the program to back small and medium-sized business firms; 27 million for reconstruction of the road between Aveiro and Vilar Formoso; 844,000 for creating the (productive) agricultural information and accounting system; 1.4 million for the water supply and basic sanitation of Algarve; and 6 million ECU for making the Douro navigable. [Text] [Lisbon O JORNAL in Portuguese 11 Mar 83 p 12] 2909

PSU: 3542/78

UGT, CC00 PLACE IN FINAL UNION ELECTIONS RESULTS

Madrid EL PAIS in Spanish 10 Mar 83 p 54

[Article by Rodolfo Serrano]

[Text] Madrid--The general council of IMAC [Institute of Mediation, Arbitration and Conciliation] yesterday announced the official results of the union elections held between 15 March and 31 December of 1982, the period authorized for computing union representation. Approved after a long, tense meeting, the results show that UGT [General Union of Workers] is the largest union with 36.71 percent of the elected delegates, followed by Workers Commissions (CC00) with 33.4 percent, thus dropping from the top spot it had held in recent years. USO [Workers Trade Union] fell to 4.64 percent, while ELA-STV [Solidarity of Basque Workers] increased its representation in the Basque Country. CC00 announced that it was not accepting yesterday's announced results as valid.

The numbers disclosed by IMAC give the top union spot to UGT, which elected 51,672 delegates (36.71 percent of the total number) in the aforementioned period; this is up 7.32 percent from the previous elections (15 March to 31 December 1980). CC00 elected 50,817 delegates (33.4 percent), a drop of 7.48 percent from the previous voting. USO took the worst beating at these elections, electing 6,527 delegates (4.64 percent) compared to 14,296 in 1980. Furthermore, nonaffiliates and other unions also suffered a serious setback, dropping from 29,626 delegates in 1980 to 16,352 in 1982.

In contrast, the Basque union ELA-STV posted a 15.3 percent gain, from 4,024 delegates in 1980 to 4,642 in 1982. The Galician INTG lost 21 delegates, electing 1,651 at this voting.

Agreement Impossible

While the IMAC officials were waiting on Lope de Vega Street, the site of the institute, for the National Police's bomb squad to check out a bomb threat that the institute had received, representatives of the administration, the employer associations CEOE [Spanish Confederation of Business Organizations] and CEPYME [Spanish Confederation of Small and Medium Businesses], and the unions UGT, CC00, ELA-STV and INTG

were trying to reach an agreement on announcing the results. For more than 3 hours they tried to reconcile diametrically opposing stands. Finally, the issue was put to a vote, which came out 20 in favor, 13 abstentions and 5 against. Twelve of the abstentions, according to meeting sources, came from the employers, while the other belonged to Segismundo Crespo, the chairman of the council, who neither confirmed nor denied it. The aye votes were cast by UGT, ELA-STV, INTG and the representatives of the administration. According to all sources, the CEEU abstained. The five nay votes were cast by CC00.

The final elections returns were disclosed amid a bitter debate mainly between UGT and the administration, on one side, and CC00 on the other. CC00 called yesterday's meeting "grotesque" and reaffirmed its argument that the unions were being treated differently. UGT stressed that the CC00 protests were an attempt to downplay the socialist union's victory. Segismundo Crespo, an undersecretary of labor and chairman of the IMAC general council, also categorically rejected the CC00's charges, which in his words "are an attempt to camouflage and mask" the CC00's falloff in the recent balloting.

Controversial Elections

The entire election process was characterized by controversy. The union elections were especially hard fought between the two leading unions, which for different reasons felt obliged to come out on top. Accusations of fraud and manipulation began to be heard practically from the outset. What triggered the wave of charges and countercharges were the first partial returns, which showed the UGT a clear winner. CC00 responded by launching attacks alleging election fraud.

The Socialist union reacted in kind, and the election turned into a battleground in which the two unions made every effort to prove their returns trustworthy. The numbers war forced the government, which was still being run by UCD [Democratic Center Union], to draft a circular to forbid to clarify the election returns. The so-called antifraud circular established that the ballots that prompted reasonable doubts as to their validity would not be counted until verified by the provincial IMAC's.

On top of all this came the controversy over the period for computing the union representation. UGT argued that it should be from 15 March to 31 December 1982, whereas CC00 maintained that the entire election period ought to be considered, in other words, the 2 years in which elections were held, from 1 January 1981 to 31 December 1982. The administration was once again forced to intervene in the debate and asked for a ruling from the Council of State, which came out in favor of the CC00 proposal. The ruling, which was requested for the purpose of drafting a decree to bring order to the election process, was not, however, binding.

The triumph of the PSOE [Spanish Socialist Workers Party] at the general elections and its subsequent assumption of power put this draft decree on ice for good. At the urging of CCOO, the IMAC general council undertook to decide the election span. The vote in the council went in the UGT's favor, which triggered fresh attacks from CCOO, among them the accusation that the new administration was conniving with the socialist union. The period was finally set as between 15 March and 31 December.

Union Confrontation

The confrontation between the two major unions became especially virulent at times, which detracted from the credibility of both, and wound up tainting the Socialist administration itself. Segismundo Crespo, the labor undersecretary, roundly denied that the administration had ever attempted to favor the UGT. In response to CCOO charges, he asserted that "they are totally baseless lies." He also pointed out that the results are still subject to change in cases in which the appropriate authority determines that there has been fraud or forgery.

While the CCOO representatives asserted after yesterday's meeting that they would not accept the results, UGT stressed the honesty of the elections in spite of the logical confrontations that occurred and the charges of irregularities by both sides. As far as the socialist union is concerned, its triumph is unquestionable, citing as proof its dominance in companies with more than 5,000 workers, in many of which it "snatched victory from CCOO."

But the loser, yesterday issued a press release describing the proclamation of results as a "disgraceful act for democracy" and announcing its intention to challenge the returns "on the grounds of fraud in the computation, the phantom delegates put forth by CCOO and UGT and the lack of democratic control by all of the unions that took part in the electoral process."

4-11

(S) 1948-245

UNION ELECTION RESULTS SHARPEN UGT-CCOO RIFT

Madrid EL PAIS in Spanish 11 Mar 83 p 46

[Text] The announcement of the results of the union elections held from 15 March to 31 December 1982 has sharpened the conflict between the CCOO and UGT, the two largest unions. While the socialist union accuses CCOO of not democratically accepting its defeat, CCOO is leveling its attacks at the administration, which it claims counted fraudulent ballots. At the same time, CCOO says that in contrast to the official version, its results have improved from 1980.

The two largest unions yesterday waged a war of press releases and statements from their leaders in connection with the announcement of the election results. Responding to the initial assessments by CCOO representatives, UGT issued a note in which it states that "the statements are a desperate attempt to detract from the credibility of results that were clearly unfavorable to it and that have clearly given a union majority to UGT."

After noting that democratic mechanisms accepted by CCOO had been established for the elections, the press release asserts that its rival "is a poor loser" and that "by not democratically respecting the results, CCOO is attempting to break the democratic rules that it itself accepted." Furthermore, UGT "proclaims to public opinion and the workers that the CCOO's approach of constant attacks on UGT is seriously worsening relations between the two unions."

Marcelino Camacho, the secretary general of CCOO, announced yesterday in Vigo that his union would file charges with the Constitutional Tribunal against the administration and UGT for falsifying the returns, adding that both the socialist union and the administration "had resorted to some tricks" in computing the returns by not including certain delegates.

CCOO yesterday issued a press release in which it claims that according to IMAC data, its 1982 election results show a 2.51 percent gain, not a 7 percent drop (as inferred from the information furnished by IMAC), with respect to its 1980 performance.

After underscoring that CCOO has stressed the need for the administration to draft clear election regulations, it asserts that the administration has preferred to leave the matter in the hands of the IMAC and "take sides with UGT through its representatives in the institute." The press release describes this posture as "petty," claiming that "it has clouded relations between the two unions." In conclusion, it voices regret that in this connection no attention was paid to the Council of State's ruling on the period for the election returns computation.

8743

CSC: 3548 245

CCOO GENERAL SECRETARY ON PUBLIC SECTOR ROLE, BARGAINING

Barcelona LA VANGUARDIA in Spanish 17 Feb 83 p 29

[Article by Enrique Frances]

[Excerpt] "If a nation, attentive to the interests of all, would gather the resources of the public sector that are scattered, from the tourist hotels to the electronics industry, through SEAT [Spanish Passenger Car Co Inc] and ENASA and ending up at the Banco Exterior and would give to them a national strategy, without a doubt, it would attain a decisive factor in the fight against unemployment and crisis."

The General Secretary of the CCOO [Workers Commission], Marcelino Camacho, started speaking at a press conference held in Barcelona after having participated in an assembly of 150 delegates from his union, in Catalonia, who belong to 25 enterprises in the public sector and with whom he talked about collective bargaining in the sector.

Camacho stated that in the fight against unemployment and crisis are the workers of the public sector, who gather 30 percent of the GNP and who could be "a driving element of rationality and of national development. At a time when we want changes, for democracy to enter into business, when can the participation of the workers in management begin? The normal thing is that it be first through the nationalized enterprises. We understand that the public sector is a lever that, well-utilized by a progressive government, can lead to change, without replacing private enterprise for this purpose."

However, Camacho referred to "a definite tacit agreement of the PSOE [Spanish Socialist Workers Party] that allows us to guess that the "Businessmen's Circle" has control of this sector, from the INI [National Institute of Industry] to the National Institute of Hydrocarbons, through CAMPSA [Leasing Company of the Petroleum Monopoly Inc.] and continuing through a whole series of enterprises. Thus," he added, "in the iron and steel industry at the moment of collective bargaining they told us 'zero'; afterward they offered us 4 percent and then a piddling 6 percent until arriving at the strike at the Altos Hornos in Sagunto and Aviles to later yield something of what the unions had requested. And, all of this is happening when the public sector enters into bargaining. We believe that the PSOE has made a mistake and that it should have allied itself with the workers and made a pact with the "Businessmen's Circle" after a firm alliance with the laboring masses."

Later Camacho remarked that after being formed the government had invited the UGT [General Union of Workers] to consider the possibility of jointly mobilizing civil servants with regard to possible appointments of particular general directors, but that the socialist union refused.

The Bargaining Will Be Tough

On referring to the complete entry into the collective bargaining season, Camacho stated that "the CCOO does not have a mania about fighting for the sake of fighting or hounding for the sake of hounding, as the UGT asserts. But the government has committed itself to maintaining the purchasing power of wages and we will mobilize ourselves every time that this maintenance is refused. There are going to be ~~important~~ battles."

In all the cases, the CCOO in its platform of claims will request a wage increase of 12.5 percent, in the face of the announcement by the employers to "bargain downward".

"About the signature of AI-83, I consider it positive for the workers." "It deals with an agreement accomplished," he said, "in a context different from that of AMI [Framework Collective Bargaining Agreement] and of ANE [National Agreement on Employment] according to the political situation, with the positive fact of having bargained with a government of the Left, although it be a moderate Left."

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CSO: 3548 295

CCOO'S CAMACHO ON LABOR PROBLEMS, CLASS SYSTEM

Madrid TIEMPO in Spanish 28 Feb-7 Mar 83 pp 17-20

[Interview with Marcelino Camacho by Candido; date and place not specified]

[Text] Marcelino Camacho's kindly workingman's smile underscores a relentless way of thinking. He is not an intense pessimist, and his hope is moderate. But, as Ortega remarked, in Spain hopes are covered up. Spain's hope suffers from chronic colds.

Perhaps this is why Marcelino Camacho is wearing a muffler. He is in his office at the former Fuel Workers Union premises, where long ago there were armchairs worthy of the owners. Now, the furnishings there have a hardware look.

[Question] Generally speaking, and even though we may already know about it, what are the most pressing problems confronting the workers today?

[Answer] Yes, it is known....The number one problem is unemployment, as a result of a crisis that is multiple. But it is not a crisis raining down from heaven, gratuitously. It bears a very close relationship with the strategy of national and international capitalism. Since that crisis is not a crisis rained down from heaven, we can counter it. Another problem is that, in the context of the crisis, with 2.4 million unemployed, the struggle for employment and to preserve the living standard that has been attained has become harsh and difficult. The only solution to this problem is solidarity, understood in real terms and not merely verbal ones; class solidarity and national solidarity, because the crisis will last for several years. The effort that must be made is inconceivable unless all are allowed to participate. People cannot be led by a halter, with their opinions disregarded and their problems excessively spreading, whether this is done by a government of the left or a government of the right. Then there are the worker's problems as a citizen. The fundamental one relates to the consolidation of democracy in peace and liberty.

[Question] Do you believe that a class capitalism exists in Spain, that is to say, a more financial than industrial kind, desirous of maintaining the old social and economic system?

[Answer] You see, in Spain we have a little of everything. Obviously, there are focal points of dynamic, progressive capitalism, but there are others that are predominant, which have not learned anything nor forgotten anything. They come from the era of air conditioning (political, social and economic conditioning, to

their taste), and they are attempting to retain those same presumptions, or what they can of them. But there is still another more lawless kind of capitalism, literally tied to Francoism. It is a capitalism to which the new feuds of Spanish finance are linked.

[Question] Could you identify those feuds?

[Answer] I am referring to the seven major banks, which control 70 percent of the country's funds. The power that they unleash is dreadful. The deposits in those banks are close to 8 billion. Therefore, when we talk about capitalism as a controller of the society's resources and of the society itself, a distinction must be made. It is not the mass of small capitalists who make the decisions.

[Question] Do you think that the large banks could substantially ease the crisis instead of depicting themselves to the people as victims of it?

[Answer] The current crisis is deepseated. And at the present time the seven large banks have an opportunity to demonstrate that they can combat it successfully.

[Question] In what way?

[Answer] By changing the financial system, for example. That would mean cutting interest rates, facilitating the renewal of notes without multiplying the charges, making credit easier, etc. Generally, and basically, they could combat the crisis by gearing those vast funds which they control to the country's real needs.

[Question] How do you judge international capitalism? Because, along with those new national feuds, which you have mentioned, there are the multinationals.

[Answer] There is an abyss between subjecting oneself impassively and automatically to the multinationals and dooming oneself to autarky; just as there is between that indiscriminate subjection and pursuing a line wherein the national interests are served rationally. What is happening, what has happened to the multinationals? We have given them the infrastructure as a gift. The process which began with Seat and Fiat has continued its progress up until now, with General Motors. I have already stated that I by no means propose an autarchical situation. The point is that the resources which we have must be used rationally.

[Question] What process are you telling me about?

[Answer] A very simple process. Ford comes, and we give it the infrastructure as a gift, beginning with the land, lured on by the bait that it will be hiring labor. But then General Motors comes, and what happens is not that labor is added to the numbers already employed, but rather that General Motors replaces Ford. This means that when the domestic market is saturated, one multinational drives the other one out of circulation. This occurred with Seat in regard to Ford, and with Ford in regard to General Motors.

[Question] Yes, I understand you.

[Answer] Certainly. It is like the policy on the foreign debt. Above certain ceilings, there is no chance of an incentive. The credits received serve only to pay the debts, and not to create new opportunities for advancement. All of this proves that a rational policy has been lacking. We give Ford infrastructure as a gift, and we use the money procured from its services to pay the Seat workers. Now that is the process about which I am wondering.

[Question] And what is the solution?

[Answer] A plan, a plan suited to the needs of our society, and its problems; because Spain is not a colony, and it should not be treated by capitalists as if it were one. When the interests of capitalism coincide with the needs of the Spanish people, nothing will prevent cooperation; but not otherwise. You know that Standard has a research center here. All right. It researches subassemblies which must afterwards be taken to the United States. What does that mean? It means that they control the product in such a way as to make its manufacture impossible without them. And that is mere colonialism. It cannot be. We must defend our stronghold, and what we have, stone by stone.

[Question] Do you believe that the last trade union argument is political?

[Answer] No, the last trade union argument is not political. I want to make it clear with regard to us that Workers Commissions are an independent organization. To be sure, there are Communists, but there are also Catholics, and PSOE [Spanish Socialist Workers Party] militants, and even a Socialist mayor. Workers from all movements are combined in our organization; there are even priests heading the organization. The fact is that 95 percent of the workers organized in Workers Commissions do not belong to any party.

[Question] Doesn't the Communist Party place stress on the Commissions?

[Answer] Our union is sociopolitical in nature. Try to copy my words literally. I say "sociopolitical," giving the social quality precedence over the political one, because if it were the other way around it would not be the same. Potatoes with meat is not the same as meat with potatoes. In the two instances, there is a different priority. Workers Commissions are based on the socioeconomic feature, in other words, the potatoes with meat. The fact that we are politically concerned is something else. As is only natural, we are not isolated from politics. But we are dissociated from all parties and all governments. It does not matter to us which government, which party or which state exists. The workers' interests matter most to us. It is only logical for us to be allied functionally, to be functional allies of the progressive parties. The case of the right wing parties is very clearcut: they are in the service of big capital.

[Question] Doesn't the case of the left wing parties appear clearcut to you?

[Answer] I was coming to that. What is the left? Our place lies among the forces of progress. But, what is the left? Is it that left which we have made a myth? And, in particular, what do we find in it? Wage-earners, unquestionably, but also petty and middle bourgeoisie, and even liberal bourgeoisie; people who are very much associated, sometimes closely associated with bourgeois capitalism. I

realize that different strata of society can converge in a single movement, and for the same purpose. But what lends the trade union organization autonomy is solely and exclusively the worker's interest.

[Question] I spoke to you before about the political argument. There is a second part: whether you think that the political attitude, the political argument, leads to the failure of trade unionism. The French Mayo might illustrate this. Furthermore, trade unionism is a creation of capitalism.

[Answer] The fact is that capitalism creates the wage-earner. Yes, what you say is true. What happens is that, during the defense of his wage, the wage-earner acquires a political consciousness. In other words, he acquires an awareness of the fact that the defense of his wage requires a change in society; just as, for example, the need for full employment requires it.

[Question] And so we come to the class struggle.

[Answer] The class struggle has two levels: the socioeconomic level and the political level. But it is necessary to make it clear where we intervene. Are we seeking a political end? No. Our goal is the defense of the workers' interests; it does not matter in which society.

[Question] But the type of society is fundamental.

[Answer] That is why the socioeconomic realm is projected into political affairs naturally, but based on our autonomy. And on the basis of it, we ally ourselves with the progressive forces, whether they be political, social or cultural; but without being confused. There are many Socialists who are Social Democrats, and who have other plans. It befits us not to be confused. You see, on the day that the union loses its autonomy, it will become just another tool.

[Question] It would appear that you are tending to create a watertight compartment, that of trade unionism.

[Answer] No, that is not so; it is not a matter of castes. We shall always be able to be found in a common endeavor, each one in our own way. I would like to add something. The worker who defends his interests begins by being a rebel. But the rebel worker is not yet a conscious militant. When he becomes conscious, he may perhaps lose his virginity, but he is by then in the second phase: the phase of political struggle.

[Question] What is your general view of the CEOE's [Spanish Confederation of Business Organizations] socioeconomic philosophy?

[Answer] In Spain, the most pressing task of all is that of modernizing the society. My experience tells me that the top echelons of management and of the big banks come directly from the past era, without having been purged. As I noted before concerning a specific capitalism, those top echelons have not assimilated, learned or forgotten anything. They took everything in the bargain. I shall not detract importance from certain advances, for example, the interconfederal agreement.

[Question] What do you observe in it that is constructive?

[Answer] In essence, it is the first distribution of the national income; the second will be made by deducting taxes; the third is inflation. Inflation is more than a leprosy. Banknotes are manufactured....When there is more money in circulation than is needed, prices rise. It is a type of accumulation.

[Question] Then why do you say that it is distribution?

[Answer] Because what is distributed is less among the working class. That is where the battle is established: If the profits increase, wages decline. Hence, the battle is logical. The battle consists of negotiation and pressure, never forgetting that an agreement is necessary. The result will reflect the correlation of forces. It is the present correlation that must change, because there are intolerable practices: for example, the socialization of losses, which has repercussions on the workers. They lose the mines, they lose the railroads....Then, the state finances the mines and railroads with deficits. The deficit is converted into more banknotes, and we are back where we were before: the workers sharing less and big capital sharing more.

[Question] Tell me, does striking appear to you to be a constructive tool for pressure?

[Answer] Striking has one advantage, that of making the lagging owner progress. Striking is a technological stimulus, because if labor did not fight for its interests, if it were cheap, the business owner would work with slaves. So, he tries to replace the high wage with technology. But, after all, we have not invented any of this, the struggle or the strike; it was, rather, invented by this society divided into classes.

[Question] What is your opinion of the Socialist Party's social and economic policy?

[Answer] The government's plans that we know about are closer to the concept of the Business Owners' Club than to that of the PSOE program. What must PSOE do if it wants a change? A vital part of the change would have to be that of the nationalized industry. It would have to lend consistency to all the national resources, and promote a policy of progress on a national level. To achieve this, it must concentrate the resources in a few hands. PSOE has concentrated them in the hands of the Business Owners' Club. PSOE is acting as a sorcerer's apprentice. In order to conquer the most extreme, most hardened and most recalcitrant business owners, it has allied itself with the less extreme ones. It expects to balance the operation with that maneuver. To whom has PSOE turned over a fundamental sector of the nationalized industry? To Mr Boada, Mr Moya, Mr Espinosa de los Monteros. From the business firms that they have been assigned, will they not continue lending their assistance to big capital? I think so.

GENERALITAT INTERVENTION IN PUBLIC SECTOR SCORED

Madrid EL PAIS in Spanish 6 Mar 83 p 67

[Article by Rafael Jorba]

[Text] Barcelona--At the next plenum of the Parlament, the Catalanian Socialists will abstain from voting on the bill to regulate the Generalitat's participation in the management of the state's economic public sector. This bill, which was approved in committee the day before yesterday, will be sent by the Parlament to the Congress of Deputies for final action.

The Socialists believe that this bill, drafted by the Consell, would set a bad precedent in terms of the manner of approaching the participation of the autonomous governments in the state public sector, and they favor an overall solution through a model state law. Meanwhile, in accordance with what has already been established in the Estatut, they would favor opening up a channel for negotiation so that the Generalitat could get on with naming its representatives in the state enterprises that are of the greatest social and economic importance in Catalonia. The Socialists base their disagreement with the political philosophy of the Pujol administration on Article 2 of the bill, which sets forth the kind of public enterprise in which the Generalitat will name delegates. The bill accords the same importance to those whose headquarters or factories are in Catalonia and those which have just one office, distribute just goods and services, or carry out financial transactions in Catalanian territory.

This legal reasoning allows the Generalitat the same share in the Spanish Passenger Car Company, Inc. (SEAT), which has a major installation in Catalonia, as the Banco de Espana or Tabacalera, for example, according to a list of enterprises attached as an annex. Applying those criteria to other autonomous communities, it is possible that 17 representatives of the autonomous governments could be on that firm's board of directors. This text's unfeasibility, according to the Socialists, is interpreted as a gimmick to pit the central and autonomous administrations against one another.

Communist Amendments

Although the Communists share some positions with the Socialists, they have opted to support the bill with reservations, as a way to get the central administration once and for all to come up with a Public Enterprise Statute that would provide a vehicle for those demands. The representatives of the Catalanian Unified Socialist Party (PSUC) in committee sessions have proposed several amendments to rationalize the bill. The first of them makes a distinction between firms whose "principal activities" are in Catalonia, in which three Generalitat representatives would participate, and the remaining firms, where just one representative would participate and there would be no questioning of the naming of that representative in principle. The PSUC has also proposed that the Generalitat representatives in these public financial institutions belong to an Economic Council of Catalonia, similar to the one that existed under the Second Republic, to coordinate their actions. Meanwhile, this coordination would depend functionally on the General Office of Economic Planning of the Generalitat.

The PSUC will also fight for an amendment that was voted down in committee by the Convergence and Union (CiU) and Republican Left of Catalonia (ERC) opposition. The amendment would have the Parlament name the Generalitat representatives at these enterprises rather than the Consell, a change that Centristres also advocates. Catalanian parliamentary officials fear that if the Socialist Party of Catalonia (PSC) systematically abstains, this law will not be considered by Congress. Actually the PSUC's position, which regards the CiU ideas as unfeasible, is to prevent Pujol's party from engaging in indiscriminate electioneering.

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CSO: 3548/236

STATISTICAL SURVEY OF CAJA DE BARCELONA GROWTH

Barcelona LA VANGUARDIA in Spanish 16 Feb 83 p 25

[Text] Available assets of the Caja de Barcelona, the oldest savings institution of Catalan, grew by 22.16 percent relative to the 20.62 percent average growth of the other Catalan savings banks and to the 21.6 percent growth of the confederated banks. This information was revealed yesterday by Juan Jose Pinto and Andres Buedes, president and director general, respectively, of the bank.

Out of a gross 3.717 billion pesetas which exceeds last year's figure by 456 million, 1.187 billion has been reserved for amortization, and 530 for a contingency fund to provide for insolvencies. A net of 2 billion has been reserved to provide for currency fluctuations, fixed payments to the guarantee deposit fund, contributions to reserves, welfare funds, and corporate taxes.

Andres Buedes explained that according to issuances in 1982 from the Bank of Spain and other official sources, the 1982 balances were affected by a series of bankruptcies caused by the unavailability of credit from the issuing bank to back amortizable obligations in perpetuity, so that these amounts had to be drawn from the reserves of the savings bank as co-maker. At the same time, their decline in value (an average decline from 96 to 28 percent) resulted in losses at the time of sale. In addition, there was a revenue loss since the fixed rate premiums could not be considered as yielding revenue because they had lost their original value. Similarly, property transfers which until 1981 were capitalized and amortized over four fiscal periods, were treated as expenses in 1982, and the contribution to the guarantee fund is also treated as an expense as of 1982. All these factors resulted in a revenue drain of approximately one billion, so that applying uniform standards of the prior fiscal years, the 1982 fiscal year will close with a net gain before taxes of 2.412 billion compared to the 1.745 billion of 1981.

Real investments last year in the Caja de Barcelona reached 179 billion. As to the available assets, at 31 December they totaled 301 billion which represented an increase of 54 billion over the prior year.

The policy of expansion and of extending services to the clients was intensified in 1982 by the opening of 81 offices which increased the network of offices to 405. There are now 170 automatic tellers of "Caixa Oberta" which have 190,000 users. Personnel has remained stable at 2,800.

Financial Statement

	<u>1982</u>	<u>1981</u>
Total receipts	37,741	27,028
-Financial Expenditures	21,618	14,323
-Contributions, insolvencies	<u>531</u>	<u>449</u>
Gross Margin	15,592	12,256
-Operating Costs	<u>13,379</u>	<u>10,702</u>
Profit	2,213	1,554
-Other expenses	<u>805</u>	<u>809</u>
Net before taxes	1,408	1,745

-146

CSO: 3545/203

ALTERNATIVE FUTURES EYED FOR CEUTA, MELILLA

Barcelona LA VANGUARDIA in Spanish 16 Feb 83 p 9

[Article by A.D.R.: "National Focus on Ceuta and Melilla; Economic Revival Essential"]

[Text] Ceuta-Algeciras--The traveler crosses the strait at dawn over a leaden sea which blends with the stormy sky. Ceuta lies behind--two populated hills standing out between the vastness of the Mujer Muerta and the ridges of the Moroccan mountain chain.

Nevertheless, there is something one does not leave behind. It travels with you as a part of your interior passage. This is the conviction that only a clear, intelligent, unified and clever approach can remove forever the specter of Moroccan greed and prevent these territories which belong so much to Spain from being irredeemably lost.

None, not even the Moroccans who were born or live in Ceuta, can listen to Hassan's increasing boldness without embarrassment. Three basic possibilities have become apparent in the many interviews and conversations with the special envoy: a) the future union of these territories with the Moroccan crown as a negotiating factor; b) the maintenance of our sovereignty under special new legal and economic terms with the neighbor; c) international status for the city under a temporary renewable contract with administration by Spain, as in the cases of other recognized international enclaves.

According to the Socialist Party senator Fructuoso Miaja, this is the solution being prompted by some Ceutan businessmen. They are only looking for quick riches and are unworthy to be called "gentlemen."

But the situation at this time is that a similar commercial condition is developing while the political and social situations are not improving. The city's mayor, Ricardo Munoz, does not admit to the qualification of second-class citizenship which the journalist assumed in view of Ceuta's problems and the administration's obscure role in solving them. Nevertheless, the government delegate, Fernando Marin, recognized that there had been a certain amount of inaction on the part of the state as well as of Ceuta when it came to tackling the city's problems.

Eliminating the first and third possibilities which were suggested, the future of these territories should be focused on the second. It is necessary to clarify Spain's relationship with the Moroccans and to establish some formal and practical ties with the neighbors by negotiating for mutual advantages and loans. This is a political effort which should not be influenced by the third world tendencies of the present government or by Spain's European orientation.

Factors opposed to the truly bilateral nature of this problem would not accept the reality of an allied and Spanish Ceuta and Melilla converted into an economic, human and political center also for Rabat. The factors that mitigate against this are the internal situation of Morocco such as the aborted military coup, the illness of the monarch, etc. or on the other hand, the interests of other countries (read the pressures for both sides coming out of Washington: sensitivity to the African ally which has replaced Saudi Arabia versus encouragement of Madrid to side with NATO).

Perhaps the best long-term solution in that regard would be the expeditious action by the Spanish Government to force the Spanish, Indian and Jewish businessmen to reinvest in their city in the adjacent territory so as to create economic and social relations which would be productive for both countries and would provide services to the citizens of the neighboring country while at the same time maintaining the Spanish quality and sovereignty of the enclave. A decisive fiscal policy is needed which would depart drastically from the present one and would establish a model and necessary organization to provide urban sanitary services and transportation to the neighboring territory. This journalist believes that the time has come for Madrid to put away the deceptive ideas of unfurled flag and past glories, and without abandoning these elements, make a good use both politically and economically of Ceuta and Melilla. The time has come to watch over and indulge these two cities without abandoning the firm and clear governmental control of the local self-seekers and their excessive demands. Nor should they abandon the diplomatic approach of anticipating and aborting any attempt by Rabat to negotiate the unnegotiable.

5145

000: 1948/100

VENEZUELAN TRIPLE EXCHANGE RATE WORRIES SPANISH CREDITORS

Madrid EL PAIS in Spanish 10 Mar 83 p 52

[Text] Madrid--The Venezuelan Government's recent establishment of a three-tiered exchange rate for the bolivar vis-a-vis the dollar, which in effect is tantamount to a minor devaluation, has prompted concern and uncertainty in Spanish business and financial circles with economic interests in the Latin American country, whose commercial representatives in Spain are for the time being unable to clarify how the different exchange rates are going to be applied in international transactions.

Banking circles pointed out that the Venezuelan Government's move paralyzes import and export activities between Spain and Venezuela until it is learned what exchange rate applies to what items. The biggest concern is that Spain's Venezuelan creditors could be hit by an unfavorable exchange rate.

The Venezuelan decision establishes an exchange rate of 4.3 bolivars to the dollar for so-called essential imports and debt repayments, 2.6 bolivars to the dollar rate for other imports and a floating rate, which has hit 7.6 to the dollar, for the current foreign exchange demand. Venezuelan Embassy sources said that they were awaiting complete official information on how the measure would affect foreign banks and businesses with interests in their country.

The foreign exchange risks involved in foreign financing had not been given much consideration until now in economic transactions with Venezuela because the rate had remained constant since 1964, banking circles reported.

Commercial Credit

At present, Venezuela owes Spain 14 billion pesetas in guaranteed export credits. In addition to this, there is a very large volume of unsecured financial credit and financial debts, and efforts are currently under way to determine this amount.

The Banco Exterior (with a committed investment of \$73 million and a real exposure of \$33 million), the Santander, the Central Bank and the Hispano are among the affected Spanish banks, reliable sources reported.

Venezuela's total foreign debt is put at more than \$28 billion in public and private liabilities. The Venezuelan Government is currently suffering from a serious liquidity crisis, due largely to the drop in the sales and prices of oil, the country's main resource. This liquidity crunch is hurting Spanish investors such as ENASA [National Motor Trucks Enterprise].

Through a trust and shareholdings, ENASA owns 98 percent of Desiauto, a firm located in Venezuela that assembles components and manufactures trucks.

This company, which lost 500 million pesetas in 1982, according to ENASA sources, is still waiting for a 72 million bolivar loan and a 20 million bolivar loan that the Industrial Bank of Venezuela and the Venezuelan Industrial Credit Fund, respectively, agreed to grant it in September 1982. Desiauto could be adversely affected by the change in the bolivar exchange rate, inasmuch as it pays dollars for the components it receives from ENASA.

Furthermore, the Venezuelan authorities have not paid out a 50 million bolivar loan earmarked to offset the losses suffered by Hivenca, an engine manufacturing company of which ENASA is part owner.

The Venezuelan authorities are not disavowing their commitments but they have not set a timetable for making them good. Circles close to the Foreign Ministry do not rule out the possibility that a Spanish economic mission will travel to Venezuela to look into the situation there.

8143

OSU/ 3548/245

STRIKE INTENSIFIES IN VIZCAYA, GUIPUZCOA BANKS

Guipuzcoa EGIN in Spanish 27 Feb 83 p 7

[Text] Bilbao--With the Pamplona and Alava savings banks left hanging since the beginning of the strike, the effect of the strike in this sector, which ended its second day yesterday, has spread in Vizcaya and Guipuzcoa, districts in which over 80 percent of the sector's workers are located, according to a report from the negotiating table, which has assessed the response to the strike as positive, and has again addressed the companies in an attempt to open the channel for negotiation.

Yesterday, the sense of a high level of participation in both provinces continued, with slight increases in both instances.

For example, in Vizcaya, whereas the strike ranged around 88 percent yesterday, it might be claimed today that the workers backing the strike far exceed 90 percent. In the case of the branches, this percentage was virtually 100. In Bilbao, the main offices of the two companies remained precariously open to the public. In Vizcaya, by mid-morning the windows for serving the public were closed, although the doors remained open. At the Municipal Bank, the doors were closed, with only one-by-one access allowed.

Insofar as Guipuzcoa is concerned, the levels of participation have also risen in comparison with that of the first day. In the two banks combined, it reached 70 percent (75 percent in the Provincial Bank, and 60 percent in the Municipal Bank). Among the branches, by mid-morning only about a dozen of them remained open in the entire province, out of over 200 existing banks. The two main offices remained closed.

The social members of the negotiating table, after assessing the response to the strike as remarkably positive during these first 2 days, decided at a meeting held yesterday to address the companies in another attempt to pave the way for negotiations based on the following points: maintenance of the purchasing power of salaries; withdrawal of three of the points submitted by management which, from the outset, has rejected any possibility of negotiation by the workers (new ratings, promotions, tables of organization); and negotiation of the remaining points by the two groups jointly.

Moreover, tomorrow, Monday, there is an intention of continuing the strike with the spirit of the previous days.

CCOO Scores CAMB Director

Yesterday, the Euskadi CCOO [Workers Commissions] savings group scored the director of the Bilbao Municipal Savings Bank [CAMB], Mr Rubio, who "is engaging in anti-constitutional action," by considering the strike "illegal" and "threatening the workers who are exercising a fundamental right, even going so far as to prevent the entry of the strike committee into the bank."

According to CCOO, "the action of the head of this entity can only be regarded as the survival of the old habits of persons tied to totalitarian notions, who actually refuse to accept the recognition of rights which we workers have, through great effort, succeeded in having recognized." CCOO claims that all these methods used by the director of this entity prove that "he does not have the qualifications for ruling the destiny of this establishment."

The Banks' Management: 'An Obsolete Regulation'

The management of the savings banks of the Basque Autonomous Community, for its part, has issued a communique in which, expressing the view that the framework of a collective agreement is most appropriate for dealing with all the points that are of concern to the banks and their employees, it notes that this new negotiation has been approached "for the purpose of making the updating of the economic and working conditions of their employees compatible with the necessary reform in an obsolete regulation that is not in keeping with the needs of modern management."

With regard to the amendment that it seeks, it remarks that, in any event, "it would only affect new incoming personnel and, with respect to such issues as promotions based on seniority and others of an organizational nature, it will allow for greater progress in the savings banks and greater security for their customers and employees, all of which would result in maximum collective benefit."

The communique also cites the desire to maintain the present territorial context for negotiation, stressing that "it would be seriously jeopardized if a final agreement could not be reached on preparing an updated set of regulations"; adding that the offers submitted by the banks do not preclude negotiation of the points brought up by the labor representatives.

Finally, they express regret over the harm that is being done to the service to their customers, calling for "understanding until the problems posed can be surmounted."

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801 3543/248

TIME LIMIT SET FOR PURCHASE OF BANCA CATALANA

Madrid EL PAIS in Spanish 5 Mar 83 p 49

[Article by Xavier Vidal-Folch]

[Text] Barcelona--Monetary officials have given themselves a deadline of 3 weeks to deal with the Banca Catalana group institutionally without sacrificing its regional character, that is, its "Catalonianness." The only possibility for doing that at this time is if the Pension Fund ("La Caixa"), Spain's foremost savings institution, purchases the Banca Catalana. In the very likely event that this transaction does not pan out, they will proceed immediately to the bidding process that is usually undertaken for banks controlled by the Deposit Guarantee Fund. In such a case, the group will most probably be awarded to the Banco Exterior de Espana, a legally private entity that is controlled by the public sector.

Talks between the Banco de Espana and the Pension Fund, somewhat stalled recently by the concentration of efforts on the Rumasa case, should step up soon in an attempt to find a final solution to the problem of the ownership of the Banca Catalana group. The rapid handling of the Banco Urquijo case, in which it was taken over by Hispano Americano, and the measures taken with the "abeja" [bee] holding company have cleared the air in the banking crisis to a great extent. The left-over matter of the Banca Catalana remains to be solved, and the government has expressed an interest in expediting it.

This position, according to sources close to the administration, has reinforced the change in the Banca Catalana strategy that was outlined by monetary authorities in early February. At that time the Banco de Espana and the Deposit Guarantee Fund decided to abandon the efforts begun at Christmas to have a board and a chairman named that would meet the requirements of being Catalanian, professional and politically non-controversial (see box). These efforts took 2 months, much longer than originally expected, as the Fund's officials had expressed a desire to complete the process by Epiphany; they finally ran into a dead-end.

The criterion they were going by was to try to maintain, first of all, the Catalanian character of the group--which was considered important from the standpoint of the commercial success of its venture as well--and, secondly, its independence. Monetary officials hoped that once they found a suitable

chairman it would be easier to transfer the shares in their possession to Catalanian economic groups.

A Bank and a Fund

Once it was determined that this solution was unfeasible, in early February the opposite tack was taken: to transfer the stock to a Catalanian financial institution first, which would automatically facilitate the naming of a new board of directors. This would achieve the first objective, preserving the group's Catalanian character, though at the expense of the second one, independence. This attempt by the central bank and the Fund, according to financial sources in Barcelona, was done in good faith, that is, in the belief that from many standpoints (political, public relations and commercial) it was best to keep the group's regional qualities, although there was also an element of trying to ward off future criticism that not enough was done to protect the group's health.

The talks that began in mid-February were limited to two entities: the Banco de Sabadell and the Pension Fund. The government's desire to find a rapid solution to the problem, such as the one found in the Banco Urquijo case, led it to accept, at least as a working hypothesis, the possibility of a fund purchasing a bank. This meant sacrificing part of the electoral platform of the Spanish Socialist Workers Party (PSOE), which explicitly ruled out even minority participation by funds in bank assets.

The two possible candidates were soon reduced to one, the Pension Fund, which at this time is plucking the petals from a rather sparse daisy. The magnitude of the problem that must be solved (the Catalana group today has a volume of external cash equivalent to that of the Banco de Sabadell, with a payroll twice the size); the fact that both institutions have a parallel network of offices; traditional prudence; and Sabadell's commercial philosophy, very averse to taking on the tasks of industrial banking (contrary to Catalana's historic tendencies), must have been the fundamental reasons for the Banco de Sabadell's decision to pull out.

"La Caixa's" Attitude

Thus, the only candidate left is the Pension Fund. The monetary authorities' talks with this institution are still underway, although the only items on the agenda so far are preliminary philosophical questions; no numerical estimates have been attempted yet, according to official sources. The savings institution has owned 7 percent of the capital of Banca Catalana since 1979, and was the only institution aside from the Guarantee Fund that took advantage of the capital expansion last December.

Nevertheless, that is no indication of any preference on the part of the fund for getting involved with Catalana; rather, it was the result of the contract signed by the two institutions in 1979 whereby "La Caixa" obtained a commitment from Catalana to repurchase the 7 percent package; it, in turn, was obliged to participate in subsequent expansions by the bank group. That,

then, is not the reason why monetary authorities are now proposing that the fund purchase Catalana; rather, it is the fact that its volume makes it certainly the only institution capable of successfully facing the challenge of taking over Catalana. Another consideration is the favorable attitude of the president of the Generalitat, Jordi Pujol, toward this kind of solution.

The chances that "La Caixa" will agree to take over Catalana are more than remote, for several reasons. First of all, it is not a unified house. The attitude of the labor representatives on its board of directors is radically conflicting: as early as June 1982, when it was agreed to participate in an issue of convertible bonds (an effort that was later thwarted), they opposed the transaction. Secondly, the Catalana group's industrial commitments could in the future cause some tension that might ultimately have repercussions in the savings institution. Thirdly, there would be a social cost for making necessary adjustments in the bank group's personnel. Fourthly, the commercial networks of the Pension Fund and Catalana overlap. "There is a 90 percent chance that the transaction will not take place," conclude reliable sources.

Banco Exterior

If there is no agreement within 3 weeks, monetary officials will also give up on their second objective (preserving the Catalanian character). At that point there will be two alternatives. One, the nationalization of the Banco Catalana by transferring the stocks held by the Guarantee Fund to State Patrimony. The other would be to award it to another bank in bidding.

Although, as administration sources have pointed out, "the situation is very changeable" and neither of the two alternatives can be ruled out ahead of time, it is most likely that the Banco Exterior de Espana will be awarded the group in bidding. Transferring shares to State Patrimony would simply exacerbate the management problem after the Rumasa expropriation. Putting the bank group up for bidding is the most viable solution, in the opinion of various financial sources. But the "Big Seven" in Spanish banking have shown no interest in taking over Catalana, fearing damage to their image because the move might stir up opposition to their expansion into Catalonia. Therefore, it is most probable that the Banco Exterior de Espana will win the bidding.

This option has a precedent in the case of the Banco de Alicante, in which Catalana had a share. It was recently awarded to Exterior, a transaction that provides some indication of the willingness on the part of that bank's directors to expand its operations. Furthermore, Exterior and Catalana have compatible office networks. And, above all, the fact that it is a legally private bank but is controlled by the public sector would allow it to become the hub of a strong public banking sector with the formal appearance of being private, so that there could be no criticism about the government's eventual tendency toward nationalization.

Although the strategy has not yet been completely outlined, this appears to be the reasoning of Economic Minister Miguel Boyer. In this regard, the

statements by Health Minister Ernest Lluch to the effect that "if the Banca Catalana had been expropriated, it would have been a lot cheaper for the public treasury to salvage it" should be interpreted not as a proposal for nationalization at this stage, but as a criticism of the previous administration's slowness in addressing the Catalana issue.

8926

CSO: 3548/236

DEPOSIT GUARANTEE FUND INTEGRATION SEEN FOR PYRENEES BANK

Barcelona LA VANGUARDIA in Spanish 3 Mar 83 p 25

Article by Felicitano Baritech

Alex, a representative of the legal advisory board of the Banco de España stated yesterday to a delegation of employees of the Banco de los Pirineos that in his opinion, among the diverse solutions available for this bank, perhaps the most favorable one consists of integrating it with the Deposit Guarantee Fund, and having the latter sell Pirineos later to another banking institution.

The Banco de España official added that neither the central bank nor the Guarantee Fund expects to request the bankruptcy of Pirineos, and it is likely that within March a final resolution will be adopted. All this was reported by our correspondent in Lleida, Aurelio Bautista.

With regard to the earlier news, Pirineos Legal Administrator Humberto Ruiz stated yesterday that the bank has not received a response from the government to its request to join the Guarantee Fund. That request was made by Ruiz himself last December. For the time being, the only communication the bank has received is from the director general of the treasury, indicating that the final decision will rest with the government.

Bautista also said that the treatment of the Rumasa and Banca Catalana cases shows that there have been clear comparative damages against Pirineos. "On the one hand, all responsibilities had to be met, the board of directors was prosecuted and all the legal procedures have been followed, but deposits have not been protected and deposits have not been guaranteed completely. Furthermore, the 1,001 billion peseta 'hole' is much smaller than those of the other banks in crisis. The government's attitude shows a clear lack of willingness to solve Pirineos' problems."

Meanwhile, the 40 employees of Pirineos continued on the job yesterday, having spent the previous afternoon and night shut in. The indefinite closedown affects all the bank's offices in Barcelona, Girona, Lleida and Madrid, and lasts from 12:00 to 1:00 hours, at which time normal business begins in the offices.

As for the firmness suspension of payments proceeding, which was begun in December 1981, the court of the first instance of Barcelona where the case is being heard is now considering a proposed agreement with creditors. The agreement stipulates that creditors will be paid over a period of - to 5 years, and name a negotiating committee, consisting of a representative of the Guarantee Fund, the legal administrator, Attorney Jose Luis Comas, on behalf of the suspended bank, Luis Usón on behalf of the intervening court, and Pedro Ferrells on behalf of the affected parties. That committee will have one year after the agreement is signed to negotiate the transfer of the bank to whatever entity is authorized by the Banco de España or the competent authorities to acquire it. If the sale does not take place before that deadline, the committee will become a liquidator and will proceed to sell the bank's assets and use the proceeds to pay creditors. If the proceeds from the liquidation are not enough to pay all the debts, the difference will be covered by the Deposit Guarantee Fund. In another clause of the proposal, it is stipulated that the Guarantee Fund and the Banco de España voluntarily postpone their right to call in their loans, subordinating the interests of all other creditors.

Bank's Position

At the present time, the current president of Banca Catalana, Juan A. Ruiz de Alcazar, indicated that this entity is now in reorganization, and soon a new board of directors will be named. Ruiz de Alcazar, who has just taken over the financial and administrative affairs of Amasa, indicated that until the new directors are named for Catalana, he will continue to serve as president, with the assistance of the board of directors and manager, who are in charge of managing the bank's regular activities.

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BUILDING INDUSTRY REGISTERS MODEST, VITAL 1982 RISE

Madrid ABC in Spanish 3 Mar 83 p 49

[Article by Elias Ramos]

[Text] Madrid--The construction sector experienced a growth rate of 0.5 percent last year, compared with the previous year, according to information provided by the president of the Group of Public Works Enterprises of National Scope (SEOPAN), Jose Maria Lopez de Letona, at the conclusion of that association's assembly. This year marks the group's 25th anniversary. The growth rate, although low, is significant because it breaks the negative growth trend dating back to 1976. For example, in 1981 the growth rate was a negative 2.5 percent with respect to the year before.

This result had been expected by the sector since the beginning of the year, and those expectations were confirmed. For this year, however, the prospects are dimmer. Official bidding, which is the sector's mainstay, has dropped by 29 percent in the first 2 months of the year. The causes appear to be none other than the delay in passing the General State Budgets, and the failure to adopt financing schemes as a stopgap. This situation has also been noted by the current head of the Ministry of Public Works and Urban Development, Julian Campo, but nothing has been implemented yet.

This is why 1982 turned out to be an excellent year, given the sector's precarious situation. For the first time--and this is an example of earlier activity--production exceeded 2 trillion pesetas in value. Specifically, 2,252,100,000,000 pesetas were billed, nearly 300 billion more than in 1981. This represents a growth rate of 13.9 percent in current pesetas. In 1982, official bidding rose to a total of 413.2 billion pesetas.

Exports totaled \$1 billion, which is still far from the percentages obtained by countries such as France and Italy. A similar development took place in employment last year. Although the figure rose by 5 percent, this percentage represents a deceleration of the pace. The total number of people employed in the sector by the end of the year was 937,000.

Future Prospects

As has already been noted, the prospects for this year are still dim, in SEOPAN's view. That association represents 35 percent of the sector, absorbs 70 to 75 percent of public investment, and accounts for 90 percent of exports.

The president of SEOPAN, however, stressed that the future cannot be too gloomy as long as there are still great shortcomings in the infrastructure and in social projects, as evidenced by the case of highways, whose deterioration has already been emphasized by previous administrations.

In general, it should be noted that the construction sector represents 8 percent of the gross domestic product and employs 10 percent of the labor force. In 1982, production levels were held at 17 percent in constant terms of 1975 levels.

Lopez de Letona Calls for Stability

The celebration of SEOPAN's 25th anniversary was marked by the presence of a special guest at the meeting, Minister of Economics and Finance Miguel Boyer. The minister remarked in his speech that no matter how extraordinary the circumstances become (immediately afterwards he was to go to the Congress of Deputies to participate in the debate on the Rumasa case), it is important to maintain normalcy.

This is exactly the desire that SEOPAN President Jose Maria Lopez de Letona expressed in his speech, as well, when he stated that it is absolutely essential for this government to be kept in office for its full 4-year term, and that the ministers continue in their posts.

He did not, however, fail to present to the economics minister the problems of the sector, at this time stemming from the delay in the General State Budgets and from the business sector's desire (the president of the Spanish Confederation of Business Organizations, Carlos Ferrer, was also present) to cooperate in those cases that, regardless of any ideological considerations, are considered crucial in the effort to revive the economy. They are, for example, the issues related to the maintenance of competitiveness, the struggle against inflation and unemployment. "We share their objectives, but not their means," stressed Lopez de Letona.

"It is our duty," said Lopez de Letona at another point, "to cooperate with the government without abandoning our principles and interests." That is why business has engaged in a fluent and frequent dialog, he said, "and we hope there is a response." He also took note, in this regard, of recent government actions that could jeopardize the confidence of all businessmen.

Better International Situation

For his part, Minister of Economics and Commerce Miguel Boyer began by focusing on the current context within which the Spanish and world economies are functioning. "It is cruel, but we are in better shape." The minister was referring to the improved prospects that can be detected in the world economic situation, as illustrated by some essential factors such as the decline in the price of oil, the experience of the crisis and the reduction in inflation. Any improvement in the situation, he said, is not attributed to us, but rather to international circumstances.

Throughout his speech, Miguel Boyer also emphasized the government's desire to prevent the budget delays from having a depressive impact on the deficit and to keep the growth in public investment at at least the same level as last year, 10 percent.

8926

CSO: 3548/246

MICROELECTRONICS INDUSTRY PLANNED FOR BASQUE AREA

Madrid MERCADO in Spanish 18-24 Feb 83 p 19

[Article by F. J. Q.]

[Text] Javier Garcia Egocheaga, Energy and industrial adviser to the Basque government, has declared 1983 the "year of microelectronics" for the Basque Country.

The introduction of microelectronics into the industry of the Basque autonomous community will have strong official support. This is to be accomplished in a program planned to last 3 years, with an initial estimated allotment of 300 million pesetas. Launching of the program will be effected soon, coinciding with the Ela-Elektro '83 Fair in Bilbao featuring electronics and microelectronics.

No one is saying that the task will be easy, but the attempt is to convince Basque industrial managers, especially the lower-level and middle-level managers toward whom the IMI (Introduction of Microelectronics into Basque Industry) program is directed, that the introduction of microelectronics they may be able to move out of the economic crisis. It will be argued that, without microelectronics, there will be no immediate future nor any medium-range or long range future and that even with microelectronics the task will be one for "titans." And not because these industrial managers will be sluggish in accepting and incorporating innovations--history proves that innovation has been a constant goal among Basque leaders of industry--but because of the present bad economic, political and social period through which the Basque autonomous community is passing, a time which is not the most suitable for making decisions about investment and during which the so-called "future sectors" naturally seem very attractive.

The company for industrial promotion and reconversion, on which the IMI program depends, has prepared to launch the program with great care. A "slip" at the beginning of the effort could upset many days of careful planning.

The IMI program will be developed in three active phases: publicity, training and promotion, these three phases directed toward all persons and organizations connected with industry. Even if they are considered "second in line" of importance, several actions will not be regarded as at all marginal. These will be aimed at targets in the educational system: professional training in the first instance and public opinion in general.

The introduction of microelectronics carries with it a new economic and social "philosophy," and it is essential to explain the subject to the general public with great care. Achievement of an "opinion status" which is favorable to the IMI program will be necessary from the start. It must be understood as a "forced step" caused by the present traumatic reality of work stoppages, a condition which will probably become worse during the first phase of the introduction of microelectronics into Basque industry. Later on, however, the future sectors will act as a multiplying factor in the creation of new jobs.

Professional retraining of technical personnel, a very select group of consultants who will be in permanent contact with the firms involved so as to be aware of their needs and the possibilities for application of microelectronics to the production system, and public subsidies are the main instruments which the Basque government, through the IMI program, will put into play to win the fight against industrial obsolescence.

This ambitious program will also count heavily on three permanent exhibition centers which will be opened in Bilbao--the first which will open in March--Vitoria and San Sebastian. Persons interested in microelectronics will then be able to take study courses with a teacher or by individual self-study at these centers.

Microelectronics is invading the Basque Country by way of the public sector in a year which has been characterized as "very difficult" for the Basque regional economy.

9972

CSO: 3548/218

TOP EEC OFFICIAL INTERVIEWED ON UPCOMING ELECTION

Istanbul CUMHURIYET in Turkish 22 Feb 83 pp 11, 12

[Interview with Pierre Duchateau, chief of EEC Commission Southern European Desk, by CUMHURIYET correspondent]

[Text] Brussels (CUMHURIYET)—Pierre Duchateau, chief of the EEC Commission's Southern Europe desk, said that holding elections in Turkey and keeping the process of the restoration of democracy on schedule "would create a new interest in the community." In a special statement to CUMHURIYET, Duchateau said that it was important to "create a new atmosphere for progress" in Turkish-EEC relations.

Below is CUMHURIYET's interview with Duchateau:

[Question] You went to Turkey not long ago (at the end of January). No official reciprocal visits have been made for 2 years owing to the Community's freeze on its relations with Turkey. What was the object of your visit in this framework?

[Answer] My visit was not of an official nature, but had to do primarily with the textile question on which we have a number of problems. It is important to find an immediate solution to this disagreement. Another aspect of my visit had to do with preparations for a partnership council to be convened between Turkey and the EEC.

[Question] Does your going to Turkey indicate a change in the EEC's official policy towards Turkey?

[Answer] I believe a broad policy evaluation of our relations would be beneficial. My visit was more of an exploratory nature.

[Question] Did you take concrete proposals to Ankara?

[Answer] We are cautious. We have many problems with Turkey. I believe my visit to Ankara created a new climate, a new atmosphere.

[Question] A new atmosphere based on what?

[Answer] A new atmosphere based on trust. Trust is the foundation for negotiation.

[Question] Why has the EEC insisted on such a tough policy?

[Answer] Because the EEC's member nations have been reluctant for the past 2 years, thinking the process of restoring democracy too slow. Holding elections and restoring democracy on schedule will create new interest in the community.

[Question] Is the community ready to normalize relations with Turkey?

[Answer] This is up to the Turks. If you would come round to the community members' point of view, then we would have no problem.

[Question] Why is the community so inflexible towards Turkey?

[Answer] This is a delicate question, because first of all, it is something that is up to the member nations and the Turkish authorities. My expectation is that progress will be made. I expect and hope for normalization.

[Question] How do you view the possibility of convening the partnership council?

[Answer] First, a partnership council meeting may be held at the ambassador level within the month, for example.

[Question] The tougher the EEC acts towards Turkey, the worse the European image becomes in Turkey. Does this not concern you?

[Answer] I believe Europe has taken an important step. The European members of the OECD attended the consortium meeting and made commitments. Ozal's tight money policies produced very important and successful results.

[Question] Is there a new trend within the community towards releasing the fourth protocol?

[Answer] Opinion is divided within the community.

8349

CSO: 3554/163

ANALYSIS OF INTENSIFIED FOREIGN ECONOMIC RELATIONS

Istanbul DUNYA in Turkish 21 Feb 83 p 8

[Editorial: "The Week in Summary"]

[Text] Last week, Prime Minister Bulend Ulusu entertained the deputy prime minister of a country expected to become steadily more prominent in foreign economic relations. Iraqi First Deputy Prime Minister Taha Yasin Ramadan went home with a fairly comprehensive protocol in his suitcase, too, after his 2-day visit to Ankara.

Iraq is a country that has risen to the top rank in Turkey's overall foreign trade in recent years. It is at war. It has economic difficulties and, like all countries in crisis, is trying to overcome its handicaps. Problems were taken up within the framework of the desire to develop mutual understanding and relations. Turkey wanted to increase its exports to this country. Iraq wanted some favors of its own. At the conclusion of talks held at various levels, fairly concrete agreement was reached on such matters as granting Turkish contractors priority on jobs in Iraq, extension of the existing oil pipeline and building a new liquid petroleum gas pipeline, and development of economic and technical cooperation.

As regards the Iraq-Iran war which has world public opinion so confused as to its purpose, Turkey was neutral, the proper role for a country that would make its political weight felt. It has tried to contribute to the resolution of a dangerous conflict in the region through a "just and honorable" peace.

The respect this stance demands was no doubt important for Iraq. The importance it ascribes to the support of Turkey, being the only country in the region currently able to ensure its own stability, was emphasized in the desire to put relations on a firm footing over the long term. Turkey has been experimenting for some time with new ways to put the close link between its foreign policy and economic relations into practice.

This positive development was implicit, as it was in his Bulgarian trip, in the trip Foreign Minister Ilter Turkmen will make to Libya this week. It is possible to say that the agenda of Turkmen's 4-day trip starting tomorrow will concentrate more on economic matters than foreign policy. Our exports to Libya are in rapid decline. The fact is, recovery of the money owed some 100 Turkish contractors active in this country is covered by a general agreement, but it is

also true that some apprehension exists in economic and diplomatic relations. It is under these circumstances that Turkmen will be discussing international, regional and bilateral problems.

Yet another example of the intensification of economic-related foreign contacts is the visit of Finance Minister Adnan Baser Karaoglu to Saudi Arabia. It was announced that the finance minister will go to Saudi Arabia next Sunday to attend the meeting of the Islamic Development Bank. Kafaoglu's schedule also called for him to take this opportunity for a stopover in Kuwait. Relations between Turkey and these two important countries of the Gulf region have been showing indications of promising development. The visit was intended to further this positive development. The finance minister's schedule in Ankara was too crowded, however, and the Kuwait trip was stricken off for this reason.

The sensitivity to and interest in matters of foreign economic relations pushed on in a briefing of the National Security Council towards the end of last week. The briefing, on Turkey's commercial relations with the Middle East, was prepared by the Ministry of Commerce and entailed a 45-minute session providing detailed information to the Council members, including President Kenan Evren. The briefing covered the status of Turkey and Greece on Middle Eastern markets, reviewing the volume and composition of the two countries' exports. Another item was the EEC. The possible impact of the Greek factor in this area was taken up also.

Another matter for which preparations extended on into this week was EEC relations. Turkey is to be in Brussels on 28 February for discussions of problems relating to 1983 textile exports. An important meeting is to be held today to devise methods to resolve the known, ever more chronic problems.

The meeting, to be chaired by Minister of State Sermet Refik Pasin, will be attended by representatives of textile producers and exporters, as well as the public enterprises concerned. The importance of the matter stems from the difficulties encountered in defining an official and effective policy in this regard. The question is whether to fight the community's now-routine restrictions or to leave the initiative to the other side and press for compromise on a case-by-case basis, and opinion is divided.

8349

CSO: 3554/163

FREE ZONES TO REGISTER POSITIVE EXPORT IMPACT

Istanbul DUNYA in Turkish 25 Jan 83 p 8

[Text] Bursa (DUNYA) -- Ali Osman Sonmez, chairman of the board of directors of Sonmez Industrial Holding Inc and president of the Bursa Chamber of Commerce and Industry, said that free zones would make an extremely positive contribution to the Turkish economy, boosting Turkish exports by 20 percent.

At a press conference held in Bursa to discuss his company's accomplishments in 1982 and goals for 1983, Ali Osman Sonmez drew attention to the need for trained and qualified personnel to work in the free zones and said:

"If we are going to have a lot of red tape in the free zones, it will make investments in these zones difficult. I brought this up in a discussion with our prime minister, Mr Uluu, and told him it would be useless if investors were to have to contend with a lot of red tape. We have to have the best organization possible in the free zones, a major step ahead for our economy. This is an important issue today, not just for us, but for communist governments as well. There are two free zones in Yugoslavia. Even in Russia, a small area has been designated a free zone in the heart of Moscow.

"The free zone in the Greek sector of Cyprus where one encounters no bureaucratic interference caters to all the Arab countries, while not so much as a fly stirs in the free zone in the Turkish sector. All you have in this zone is Turkish tourists buying their Marlboro's."

Noting that they advocated the idea of establishing a free zone in Bursa, Ali Osman Sonmez said the Mudanya and Gemlik ports would be inadequate for this purpose.

Sonmez said exportation had become an imperative for business, adding: "I am not going into any investment on the basis of the domestic market alone. Those who do so, in fact, require state support. We make our investments without calling on the state to finance us and we use our own resources throughout. In short, we go as far as our resources allow. We could have invested 6 billion liras last year instead of 2 billion, but we would have ended up appealing to the state to 'come save us.' Thanks to this way of thinking, none of our companies has any red ink on its balance sheet."

Contending in answer to a question that export easements are inadequate, Sonmez said: "First of all, we have to think about how we are going to get something as important as credit out of the hands of the bureaucracy. The important thing is to put these facilities and arrangements into practice. Rediscount credit is offered, but by the time it is cleared you have either long since made your exports or failed to meet your contract. I would like for the measures to be successful in practice as well, or it becomes a matter of every man for himself."

8349

CS0: 3554/157

MINISTERIAL REMOTE CONTROL OVER AUTO-CONTROL FOR SEE'S

Istanbul TERCUMAN in Turkish 25 Jan 83 p 11

[Article by Mukbil Ozyoruk: "Auto-Control in SEE's"]

[Text] Let us for a moment consider all together the enterprises in which public capital is predominant regardless of whether they are subject to Law No 440, the basic law on the SEE's [State Economic Enterprises], and ask the question:

"How are we to run them and manage them?"

It is to be understood that in an article with these physical limitations it is impossible to deal with all the details of the problem at once, or even a complete broad outline. Let us, therefore, consider one or two "aspects" only.

In a mixed economy, the only way these "enterprises" could have been given an overall designation of "economic enterprises" was to bring them as closely in line as possible with their counterparts in both national and international economic life. In fact, this is what was done. They are more or less autonomous. The rules governing their activities were copied from the codes and standards on which "free enterprise" depends. The object was to model their structures on free enterprise. Certainly, however, it was impossible to deny the need to retain certain special conditions rendered necessary by the provision of the preponderance of their capital from state funds. Regardless, though, of whether we set them up to operate in slavish compliance with the type outlined in Law No 440 or put them "partially under a special law," invoking the provisions of the Trade Law in matters not covered by this special law, we could hardly call it full conformity to the "essential principles" of free enterprise. Each, like a corporation, has a board of directors and, of course, a general manager. What is the status of these two organs vis-a-vis each other, what is their reciprocal relationship?

The board of directors runs a corporation. Indeed, in many cases, this board of directors acts "in lieu of" the company in general. The board of directors is the company's highest organ of authority. The general manager, whether a member of the board or not, is under absolute command of the board of directors. In such a business, you may hold the board of directors fully responsible for the course of affairs.

But if the holder of the purse strings, the Treasury (state), backs the general manager in opposition to the board of directors and, indeed as happened 20 years ago under the presumption of "a reform," makes him chairman of the board, how are you going to hold that board of directors accountable?

The door should never have been opened to the rape of an institution by making its board of directors a "political feedbag" whose members are appointed not according to their talents but the support they will get (albeit partially). Can a general manager be both chairman of the board of directors and at its command, subject to it? Can anyone be both chief (superior) and Indian (subordinate) at the same time?

This is the status of the SEE's and most other enterprises of the corporation type -- a "de jure" status in the SEE's and "de facto" in the others. How are boards of directors to make their influence felt on such a general manager? As a consequence, the boards of directors cease to be anything other than a "rati-fying body." The board of directors cannot fire or replace the general manager, but, on the contrary, the general manager, in most cases, is able to form "a board of directors as he sees fit."

When the board of directors is thus essentially "dismissed," the SEE or state company loses the possibility of auto-control. Instead of auto-control, you get "remote control" by the ministry under whose purview the company falls. All of the criticism of the press, the public and legislature which ought to be directed at the board of directors is actually directed at the government, or political administration. Yet the government, the administration, is not "on the inside."

Taking the boards of directors "out of the picture" violates the fundamental philosophy of this kind of organization or business, as well as the principles and "givens" so long associated with their structures.

8349

CSO: 3554/157

RELATIONS WITH GREECE TERMED 'NOT BLACK AND WHITE'

Nicosia 0 FILELEVTHEROS in Greek 1 Mar 83 p 3

/From the "Liberals" column: "Relations of Close Cooperation"/

/Text/ Relations between Cyprus and Greece have become so interdependent that the problem of these relations cannot be solved with an "either or." They are not "either black or white." Consequently, dogma cannot prevail in relations between the two countries.

These relations have not become interdependent now when the socialist PASOK is governing Greece. They have been interdependent for years now, even when the junta was in power in Athens, the junta that was leading us to slaughter. Whether we wanted to or not, the dictatorship influenced us, a situation that did not have popular support, a government that was hated by the people and that was foreign to everything Greek.

This new dispute, whether or not the position "Cyprus decides and Greece stands by" prevails, reminds us of that well-known saying, when the devil has no work he quarrels with his children. As if we did not have other problems and we are occupying ourselves in discussions on who decides for Cyprus.

We repeat that the problem is not "black and white." It has its nuances. For example, there are areas where exclusive responsibility for decisions lies with the Cypriot Government. There are also areas where decisions cannot be made unilaterally, neither from Nicosia nor from Athens. In such instances common understanding and a common line is required.

The fact that we are an independent nation with our own being is indisputable. Just as we must maintain our national being that the leadership of the other side is daily fighting against, this leadership that has made its primary goal the denial of international recognition of the Cypriot republic and its government.

We have gone through stages of trouble in the past and old errors must not once again be committed. We are Greeks. A part of the nation unseparated. Just as the Peloponnesians, the Macedonians, the Cretans and the Zakynthians are Greek. But we have our own national being. A nation on which so many enemies and opponents are firing.

We do not have the right to resume actions that would lead Greece on paths it did not think of following or that it did not reckon on following; neither does Greece have the right to negotiate behind our backs and come to agreements with anyone else on our fate. Let it have talks but it cannot --without damaging national interests-- decide on our account.

For these and many other reasons we firmly believe that relations between Greece and Cyprus must be brotherly relations based on enduring, close daily understanding and cooperation.

Neither can Greece ignore Cyprus nor Cyprus Greece.

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CSO: 3521/234

CULTURAL INITIATIVE OF RAPPROCHEMENT WITH TURKEY

Archbishop's Disapproval

Nicosia I SIMERINI in Greek 27 Feb 83 p 1

/Excerpts/ Archbishop Khrysostomos has stressed that "the attempt at 'fraternization' and friendship with the Turks recently undertaken by many sides, regardless of its purpose, degrades our dignity and ridicules us as Hellenism in Cyprus."

The archbishop's statement is contained in his letter to the administrative board of KIMA /Cypriot Historical Museum and Archives/ and provides an answer to the museum's invitation that His Beatitude attend the awards ceremony of the second annual Greek-Turkish friendship competition sponsored by KIMA.

In his reply, His Beatitude expresses his strong doubt because, after the occupation of Cyprus by the Turks and the uprooting of our people from their ancestral homes, we want to appear very Turkophile and great adherents of Greek-Turkish friendship, with proposals for squares and monuments to Greek-Turkish friendship.

The archbishop stated, "We are not against Greek-Turkish friendship." As he subsequently said, however, the reestablishment of trust between the two communities, if that is what you sincerely aim at, can come about and be consolidated not with such activities but if the Turkish Cypriots fight with us for the reestablishment of justice and freedom in our fatherland and if they return to their homes and properties, leaving the homes and properties of the Greeks to their owners. If, however, we believe that with such demonstrations we can affect Turks or any third party by our good feelings, let us be permitted to observe that we do not present ourselves as being serious.

Initiative Applauded

Nicosia KHARAVGI in Greek 1 Mar 83 p 1

/Editorial: "Honor and Dishonor"/

/Text/ Following Archbishop Khrysostomos' intervention, we are sorry about the inglorious end to a concrete initiative that was made within the context of renewed rapprochement of Greek and Turkish Cypriots by KIMA. We are not strictly examining the extent of the real result of KIMA's initiative to organize a Greek-Turkish friendship competition and to present awards to the winners. What is important is that in the Greek Cypriot community ways are being developed and institutions are being established that in one way or another are helping in bringing about renewed rapprochement and are primarily contributing to having all become aware of the value and patriotic need for pulling down the walls that are being erected between us and our Turkish Cypriot compatriots.

Unfortunately, acts that promote this important duty are being torpedoed because they are judged by the archbishop as "dishonor" to our national dignity and as a "ridiculing" of Hellenism in Cyprus. We believe that our people are not being dishonored or ridiculed when they properly face renewed rapprochement and they consider that a peaceful and happy future can be ensured only through conditions of intercommunal unity, cooperation and friendship. It is to the honor of Greek Cypriot patriots because they can separate friends from enemies, people from governments, progressive forces from chauvinistic forces. It is not permissible for us to put in the same basket, for example, the militarists of Ankara and invaders with progressive Turks, as the Communist Party of Turkey, who are heroically fighting the dictatorship, who really fought against the invasion and occupation of Cyprus and who resolutely support the struggle of our people. It is inadmissible to compare the chauvinistic Turkish Cypriot leadership with the Turkish Cypriot democrats who oppose the bisecting policy of their fellow nationals and are identified with us in the attempt to make a Cyprus free, territorially integral, independent and peaceful. The chauvinistic theory and practice that Turks must be fought because they are Turks has already caused quite a few tragedies in this country. And the revival of this proven destructive mentality in any form whatsoever must not be permitted.

Suspicious Expressed

Nicosia 0 AGON in Greek 1 Mar 83 p 1

/From the "Observer's" column "My Opinion": "Are They Originating From Above? Actions Whose Goal is National Castration?"/

/Excerpts/ We had come out in favor of renewed rapprochement of the two communities. And we continue to believe that despite the great difficulties and many obstacles that the chauvinistic Denktas regime presents in the rapprochement between the two sides, efforts must be undertaken for the creation of some bridges of communication with the Turkish Cypriots.

We must create conditions that would permit, for example, the development of contacts and a continuous constructive dialogue between our own political parties and organizations and the corresponding political parties and organizations of the Turkish Cypriots as representatives of the Turkish Cypriot people and as the conveyor of their desires and opinions.

The establishment of such contacts will help in the development of a serious constructive dialogue that would cover the Cypriot issue and also other questions that are of concern to the two communities, with its offshoot being the development of their cooperation and the decrease of the atmosphere of mistrust that impedes understanding.

That is a realistic way for a rapprochement of the two communities. This is so because there are other ways that seem to be promoted by certain Greek Cypriot circles who not only are not realistic, who not only do not promote rapprochement but to the contrary:

1. Are either so naive in mind and action that they provoke anger.
2. Either, under the cover of the slogan rapprochement, they seek the castration of the national spirit.
3. Either they give the impression of incorrigible Turkophilia.

We have recently had much evidence and proof of such actions whose motives are allegedly "renewed rapprochement."

We had the slogan that "the Turks are our brothers;" we had the renaming of squares to "Squares for Greek-Turkish Friendship;" we have even had contests with the subject of Greek-Turkish friendship!

It appears that the admirers of Turks among Greeks of Cyprus are increasing and multiplying!

But do not the masterminds of all these most naive and very damaging slogans and demonstrations realize that they are provoking the public's feelings and are helping in national castration?

We repeat, is this the proper time for such damaging, to say the least, actions and demonstrations that are indeed being undertaken by organizations and individuals closely allied to the leadership or even to members of the two parties that govern?

Are we to believe that all that is being done is a result of an initiative by irresponsible and shortsighted men?

Or are the instigators some others, higher-ups, who in the name of "renewed rapprochement" are, in essence, promoting national castration?

If it is a question of irresponsible initiatives of shortsighted persons we expect that those who influence them will bring them back to order.

If, however, it is a question of actions originating from higher up whose goal is national castration in order to facilitate de-Hellenization at a later stage, then we certainly are justified in worrying over the sufferings that are to come.....

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CSO: 3521/234

KGB INDUSTRIAL ESPIONAGE CASE REVEALS GENERAL OPERATING MODES

Danish Cooperation Easily Obtained

Copenhagen AKTUELT in Danish 12 Feb 83 p 6

[Article by Peter Bergen]

[Text] The Danes are an extremely talkative people. Many leading business people readily allow themselves to be pumped for information. We are far too little security conscious. That is a beautiful national trait, but it is being used against us.

This statement was made by Lieutenant-Colonel Preben Borbjerg, department chief in the Secret Service of the Armed Forces.

Today, the hunt for military and scientific information is at least as important for the intelligence services of the East-bloc countries as actual military espionage.

Compared to its size and especially to its defense, Denmark has a well-developed electronics industry.

Indeed, all the espionage cases of recent years in this country have concerned industrial espionage.

Around 50 Danish enterprises produce equipment which is used militarily. Among the subsuppliers for the American producer of the supermodern F-16 aircraft alone are ten Danish enterprises.

These enterprises have to have a security system which is checked and approved by the Secret Service of the Armed Forces.

But other enterprises also ought to safeguard their factory secrets, Preben Borbjerg stresses.

"It is becoming increasingly important for Danish enterprises to protect themselves against espionage. And, in this area, we are much behind. Extremely few firms have an actual security system, and that worries me. In Norway and Sweden, the industrial organizations are far ahead when it comes to providing assistance in preventing espionage."

The expelled first secretary, Yevgenich Motorov, officially had technology and science as his field of work. And, according to the Danish authorities, also his activities as agent concerned this area.

In his hunt for information, Motorov contacted business people in different interesting Danish firms. And he attended, on a regular basis, the events arranged by the Association of Engineers and frequently visited the Technical University of Denmark at Lyngby.

The openness has facilitated the work of the Soviet diplomat.

When the contract for the supply of 58 F-16 aircraft for Denmark was entered into, the names and addresses of the ten Danish subcontractors were published in the papers. Which made the Ministry of Defense and, in particular, the Secret Service of the Armed Forces shake their heads at this supply of information which in other countries is kept secret.

The expelled diplomat has been thoroughly interested in the very firms which supply electronics for Danish and foreign military. And whose staff, therefore, is subject to checks by the Secret Service of the Armed Forces, at the same time as the employees have been informed that they might be approached by foreigners with dishonest purposes.

This security awareness--to use Lieutenant-Colonel Preben Borbjerg's words--may very well have led to the fall of Motorov as agent in Denmark. At any rate, the Danish Security Police was about 12 months ago informed by a Danish businessman that he had been approached by a Soviet attache under suspicious circumstances.

Security Debate

Preben Borbjerg hopes that the espionage case may lead to a debate within the Danish trades and industries on the necessity of better protection of research and products. Also among enterprises without military significance.

Several Danish enterprises have had the painful experience that foreign governments or enterprises have pumped them for information on the pretext of being interested in the purchase of some particular item. After the Danish firm--in the hope of a fairly large order--has provided the desired detailed information, 'the customer' informs the firm that he regrets to say that he no longer is interested. Subsequently, Danish enterprises will find out that the information provided is used to start a production abroad.

"It is extremely naive to hand out business secrets like that. The firm loses money, the country loses money, and Danish workers become unemployed," says Preben Borbjerg.

However, of recent years, former employees of the Secret Service of the Armed Forces have got jobs as security counsellors in Danish firms, for example in electronics firms and banks.

Soviet Ambassador Comments

Copenhagen AKTUEL in Danish 12 Feb 83 p 6

[Text] "First Secretary Motorov is the most competent and most enterprising member of my staff. I am very sorry that he will be leaving Denmark."

The ambassador of the Soviet Union, Nicolai Egorytchev, himself drew the attention to the diplomat now expelled when, after his meeting with Minister of Industry Ib Stetter (Conservative Party), he held a small interim press conference.

It has never happened that the Soviet Union officially has confirmed that expelled diplomats also were spies. Ambassador Egorytchev was unable to provide any revolutionary news.

"I tell you. I very much deplore the fact that a very competent colleague now has to leave Denmark. The Danish government has not provided me with any detailed information as to why Mr. Motorov will now have to leave Denmark, but I know that he has not engaged in any illegal activities," said Ambassador Egorytchev.

The ambassador said that Motorov, in his capacity of industrial attache, has participated in the preparatory work for the ferry orders which have now been placed. According to Ambassador Egorytchev, Motorov has, in addition, taken the initiative in arranging industrial orders from Denmark to the Soviet Union worth several hundred million kroner.

"I hope that the matter is an isolated unfortunate affair. And that such things will not happen again."

To the question whether the expulsion of Motorov will hurt the ship orders which are now likely to be arranged, Ambassador Egorytchev says:

"Things like that always have a negative effect on the relationship between two countries. I do not believe that it will have an adverse effect on the prospective deal. But it does have a negative effect in the future on the good relations between our two countries.

Ambassador Egorytchev, however, promises that he will himself work for good relations between Denmark and the Soviet Union.

In answer to a question from AKTUEL whether the Soviet Union will lodge a protest against the expulsion, the press attache of the Soviet Embassy said yesterday that he has no information on that yet.

KGB Focus on Western Technology

Copenhagen AKTUELT in Danish 12 Feb 83 p 6

[Article by Peter Bergen]

[Text] Expulsion of the Soviet first secretary in Copenhagen, Yevgenich Motorov, is tantamount to saying that the diplomat is "an employee of the KGB."

KGB, Komitet Gosudarstvennoi Bezopasnosti (the State Security Committee) is the world's largest espionage and security organization.

The KGB is estimated to have approximately 1.5 million employees on its payroll, half of them on full time.

The Soviet agents abroad may be divided into two categories: "Actual spies," who, usually, under assumed names, have no apparent connections with the Soviet Union. And, then, the far larger category of Soviet diplomats, business people, journalists, etc., who attend to their official jobs at the same time as they are attached to the KGB.

The Soviet embassies have staffs far exceeding what is needed for the official work. And which are far larger than the representations of other countries in Moscow.

The Soviet Union thus has close to 35 diplomats in Copenhagen, while we only have the modest number of six diplomats in Moscow.

In general, the Soviet Union has twice as many diplomats abroad as the country in question has in Moscow. And while the freedom of movement of foreign diplomats in the Soviet Union is greatly restricted, Soviet diplomats in countries such as Denmark may travel freely where they want to. The fact that the Secret Police tries to keep track of their activities is a different matter.

KGB Strengthened

Many experts consider the KGB to be the world's best intelligence organization. At any rate, enormous economic means are placed at the disposal of the organization, and, with its former chief, Yuri Andropov, at the helm in the Kremlin, the power of the KGB has become further consolidated.

The main target for Soviet espionage today is the technology of the West, especially in the electronics field.

Former CIA director, Richard Helms, tells TIME: "Under Andropov, the Soviet Union refined and expanded its intelligence activities. The focus was put on technology."

NATO's special committee which keeps an eye on the exchange of technology between the East and the West estimates that approximately 20,000 Soviet agents concentrate exclusively on stealing the latest inventions of the West. As a result, the technological lead of the West has been set back from 10 to 2 years.

In their frustration at the massive Soviet espionage activities, a few countries, such as Great Britain, have sometimes resorted to wholesale expulsion of the large Soviet diplomatic corps. So far, Denmark has sufficed it to expelling one or two at a time. After they have been caught in illegal activities.

In 1981, Second Secretary Vladimir Merkoulouov thus had to leave Denmark. Last year, more than 30 Soviet diplomats were expelled from different countries.

Against Their Own

It should not be forgotten that KGB's activities are primarily directed against the Soviet Union's own people. The task of the majority of the staff is to keep an eye on their own nationals and to take action against dissidents. And, at the embassy at Kristianiagade in Copenhagen, the KGB agents also have to keep an eye on the other diplomats.

The task of the KGB is also to keep an eye on the satellite states in Eastern Europe, whose own security and intelligence organizations are more or less subordinated to the KGB. It thus goes without saying that the East German espionage to which Denmark has been subject has not taken place without the blessings of the KGB.

Moscow Response Typical

Copenhagen AKTUELT in Danish 12 Feb 83 p 6

[Text] The Soviet Union never admits that one of the country's diplomats has committed espionage. And to maintain the air of persecuted innocence, it is the custom of the Soviet foreign ministry to retaliate against the country which has expelled the diplomat.

The retaliation usually takes place in the form of the expulsion of one or several diplomats from the embassy in Moscow of the country in question. The number and posts correspond exactly to what the Soviet Union has had to pull back from the foreign country.

Denmark has six diplomats in Moscow. If the Soviet Union as usual "takes revenge," Per Carlsen, first secretary, or Svend Erik Borberg, commercial counsellor, will be favorite candidates for expulsion. An outsider is Jørgen Boserup, commercial attache.

Soviet Espionage Tactics Revealed

Århus JYLLANDS-POSTEN in Danish pp 1, 3, 11

[Text] The government yesterday gave foreign secretary at the Soviet embassy in Copenhagen, Yevgenich Leonidovich Motorov, 2 weeks to leave Denmark. Yevgenich Leonidovich Motorov has for 4 years been the head of the embassy's technical section and has, during that period, performed illegal intelligence activities.

That is to say that the Soviet diplomat has been carrying out industrial espionage activities with a military purpose. During the last few years, more than 30 Soviet diplomats have been expelled from the United States and Western Europe for corresponding activities.

The expelled Soviet diplomat has for quite some time been under surveillance of the Danish authorities on account of his aggressive interest in minor Danish enterprises in the electronics field and his direct attempts at persuading Danish businessmen to hand over technical information which may be used for military purposes. He was caught when one or several of these connections went to the Secret Police.

Yevgenich Leonidovich Motorov, who is in his late forties, has, while in Denmark, followed what Western intelligence circles regard as the classical KGB pattern. He has openly treated Danish business connections to luncheons and dinners in restaurants in Copenhagen and the provinces and, subsequently, in private, put pressure on these connections.

The expulsion of First Secretary Motorov is the second expulsion of a Soviet diplomat within 14 months. In November of 1981, the then Social Democratic government expelled Vladimir Merkoulou, counsellor of embassy, also for illegal intelligence activities. At the time, the term covered attempts on the part of the Russian embassy counsellor to infiltrate Danish peace movements.

The first secretary at the embassy of the Soviet Union in Copenhagen, Yevgenich Leonidovich Motorov, had long been under the surveillance of the Danish authorities when the government yesterday decided to expel him.

All leading members of the staffs of the technical sections of Soviet embassies in the West are automatically under the surveillance of their host countries. When Yevgenich Leonidovich Motorov after 4 years in Copenhagen yesterday got a one-way ticket out of Denmark, he thus merely shared the fate of several scores of Soviet diplomats who of late years have suffered the same fate in countries of the West which have a high technological level. The only thing was that Motorov's speciality, industrial espionage for military purposes, had during the last few years assumed such dimensions as to preclude any diplomatic excuse. Yesterday, he caught it, 6 weeks after the Swedish government expelled two Soviet diplomats for identical violations.

Increasing Threat

Most Western governments, including the Danish government, regard industrial espionage from the Soviet Union and, among the other East bloc countries, especially from Czechoslovakia and East Germany, as an increasing security threat.

The reason is that the limits between the traditional military and strategic espionage which during the post World War II years has been carried out by the Soviet state secret service, the KGB, and the military counterpart of the KGB, the GRU, and the industrial advances of the West are becoming increasingly obliterated.

Today, Western intelligence circles know that Soviet embassies, trade representations, banks and enterprises in the West also have the task of collecting technological innovations for use in developing the Soviet Union's military technology.

Saves Large Amounts of Money

Since Soviet industry--and Soviet military industry--in all essential areas may learn from the West, the acquisition, whether legal or illegal, of technical advances will save the Soviet economy enormous amounts of money. Western sources thus estimate that the actual purpose of twenty Soviet and East European enterprises in the United States is to collect this type of information--and that the figure for Western Europe is around 300.

According to an American congressional report from May of 1982, several thousand Soviet diplomats, business representatives and journalists are engaged in this work.

Outwardly, some of the tasks of such Soviet personnel are connected with purely commercial tasks, general trade relations, and their activities are directed by the State Committee for Science and Technology (the GKNT) in Moscow. This is the central organization of the Soviet Union's scientific and technological connections with the West, and it is this organization which makes the final decisions on the amounts to be invested in the purchase of technology--and on the products to be purchased.

Attached to the KGB and the GRU

Inwardly, however, this task is handled in close cooperation with the KGB and the GRU, which, in the opinion of Western intelligence sources, have the decisive word--and which, subsequently, "order" products which cannot be procured via normal commercial channels. It is this kind of work which First Secretary Motorov, according to the reasons given for his expulsion, has been carrying out in Denmark. Like so many other Soviet diplomats--including Counsellor of Embassy Vladimir Merkoulov who, in November of 1981, was expelled from Denmark for granting the Danish peace movements illegal support--Motorov is an officer of the KGB.

Examples of the Soviet Union's use of public commercial contracts for military purposes--and of regular industrial espionage for the same purposes--are the famous truck factory at Kama in Siberia and the development of rocket silos for the intercontinental SS-13 nuclear rockets of the Soviet Union.

Built in 7 Years

The Kama factory was built in the course of a 7-year period and started its production of trucks in the late seventies. In carrying out this giant project, the Soviet Union used, among other things, Western means of production and high-level technology to the value of 1.5 billion dollars. A large number of the heavy trucks produced by the factory are today used in the war in Afghanistan.

However, it is within the area of missile technology that Western governments believe that the Soviet industrial espionage has had its greatest value. During the entire Soviet development of long-range missiles and medium-range missiles, such as the SS-20, the Soviet military industry has revealed improvements which Western experts are convinced may only stem from technological plagiarism. It is, among other things, a question of tracking systems and systems for remote control of missiles. Intelligence circles in Western Europe and the United States especially talk about the striking similarities between the silos containing the Minuteman long-range missiles of the United States and the corresponding Soviet SS 13.

Numerous Examples

There are numerous examples of such similarities in a wide range of military innovations of the seventies from Soviet military laboratories.

Already during the Carter administration in Washington did it become increasingly clear to American and European politicians that industrial espionage drains the West of its valuable and dearly bought lead in weapons technology, which is to outweigh the numerical inferiority of the NATO countries in the balance of power between East and West. The concern--on both sides of the Atlantic--has not abated since Carter. To which the British government's recent expulsion of two Soviet diplomats also bears witness.

The expulsion of First Secretary Motorov, who came too close to Danish electronics enterprises, is not the first expulsion of this kind, and it will not be the last one. The war on information is increasingly being waged on EDP printings and electronic codes.

This is the Way in Which the Espionage Network of the Soviet Union Works in Scandinavia

Governments have at their disposal two ways of showing that foreign diplomats are undesired. Expulsion and rejection.

It is a coincidence that the Danish public late in the afternoon last Thursday experienced examples of both.

And, still, it is no coincidence.

The Danish government's expulsion of the first secretary at the Soviet embassy in Copenhagen, Yevgenich Leonidovich Motorov, for flagrant and illegal industrial espionage (for a clear military purpose) is a question of regular expulsion. The other case concerns the rejection of a Soviet diplomat's application for entry into Denmark throughout 14 months.

The more or less simultaneous rejection by the Ministry of Foreign Affairs of an application for an entry visa from Dr. Alexander Kislov from the Institute for U.S. and Canadian Studies in Moscow constitutes a rejection.

The two events have no direct connection. And, nevertheless, they are characteristic features of a pattern. The pattern for the Soviet Union's collection of information and attempts to influence public opinion in the West.

Peace Agent

Contrary to expulsions, no reasons are given for rejections by the responsible authorities, the Ministry of Foreign Affairs, but Alexander Kislov was to have represented the Soviet Union's state-owned peace committee at a number of meetings, arranged by the peace group, Christians for Disarmament.

Incidentally, this is not the first time that Kislov has been refused an entry visa to Western countries. This is a very strong indication that Western intelligence circles consider Dr. Kislov to hold a high position within the Committee for State Security, better known as the KGB, the Soviet Union's central security body, the world's largest secret service organization.

If so, he has the same employer as First Secretary Motorov in Copenhagen. Like the most recently expelled Soviet diplomat, Vladimir Merkoulov, who was expelled in November of 1981 for his attempt to help the Danish peace movements against the NATO dual decision, Motorov is an officer of the KGB, the Danish intelligence authorities have ascertained.

Number of Expulsions

The rejection of entry visa for Alexander Kislov, the expulsions of the diplomat spies Merkulov and Motorov as well as a number of recent expulsions from Norway and Sweden, are the outward expressions of the active interest of the Soviet Union in developments in neutral Sweden and NATO's two northern flank nations, Denmark and Norway. An interest which, on the face of it, is out of proportion to the political strength of the Scandinavian countries, but which is explicable for a number of reasons:

These are:

Denmark's and Norway's insight into, and influence upon, the developments in NATO;

Denmark's high technological level;

- ✓ Denmark's and, to a lesser degree, Norway's susceptibility to peace movements and other groups which publicly oppose NATO's traditional defense strategy;

The neutralist tendencies which have spread in the Nordic countries at the same time as the generation from the student rebellion in 1968 has reached positions in the society or has gained political influence;

The traditional openness of the Scandinavian countries.

These circumstances--and the fact that Soviet diplomats, contrary to what is the case in many Western countries, in the Scandinavian countries may move around freely (incidentally, in contrast to the situation of Scandinavian diplomats in the Soviet Union--make the Scandinavian countries a relatively easy hunting ground for the activities of Soviet agents and Soviet diplomats.

All diplomatic activity involves the collection of information. Among the Western countries, this activity is largely of a legal nature. In the relations between East and West, things are different. The Soviet Union, eager for new technology, which has been using the seventies to catch up with and, in many cases, overtake the West in military strength, therefore, needs to acquire technical advances from the West via other channels than those used by the nations in the West among themselves.

Moscow Center

This may take place through legal transactions. And through illegal intelligence activities.

The latter emanates from a 7-story ochred building at Dzherzinsky Square in the center of Moscow, the headquarters of the KGB, where the new leader of the Soviet Union, Yuri Andropov, spent 15 years as chief before moving 1.5 kilometers to the Kremlin 11 months ago, in time to take over the post of secretary-general at the death of Leonid Brezhnev last November. From here, the KGB controls a network of 700,000 secret agents (the CIA of the United States is estimated to have at its disposal 130,000).

The vast majority has tasks within the borders of the Soviet Union. A considerable minority outside the borders of the Soviet Union. In Denmark, the figure may range between 30 and 50 of the 120 employees at the Soviet embassy--based on an international rule of the thumb, according to which the figure for the number of actual secret agents at Soviet embassies is approximately 30 percent of the total staff.

But, in principle, the leadership of the KGB--now under 59-year-old Viktor Chebrikov, Andropov's former right-hand man--expects the services of every Soviet diplomat if it proves to be expedient.

The System

The system, this gigantic collection of information, on technology, on statistics, on political and administrative leaders and their weaknesses, on new products, on anything which may one day conceivably be used to apply pressure is based on a Byzantine maze.

Its components support one another and overlap one another, rivalry and competition are incorporated in the system, and, as is the case in Western organizations, there is disagreement on the means. But there is never uncertainty as to the objective. It is fixed by the KGB under direct instructions from the highest factor of power of the Soviet Union, the Politburo, and Secretary-General Andropov, even if some bodies fall outside the area of the KGB.

Bodies which control the Soviet intelligence network in Denmark--for collection of information or infiltration of public opinion; Scandinavian intelligence experts state, are:

International Office of Communist Party

From here, the contact is maintained with the parties loyal to Moscow, such as the Communist Party of Denmark, and from here financial contributions are made for political purposes which the Soviet Union wants to support around the world. The international office of the party thus finances the front organization, the World Peace Council, which, last year, held its meeting in Copenhagen.

International Information Office of Central Committee

Under the leadership of former TASS chief, Leonid Zamjatin, and in charge of the organization of "disinformation campaigns" and aid to those influencing opinions in Western countries.

The expelled Vladimir Merkoulov was expelled for having carried out such activity in respect of the author Arne Herløv Petersen.

Ministry of Foreign Affairs

Formally, employer of KGB and GRU agents.

KGB

Disinformation, forgeries, sabotage, "dirty tricks," and espionage and counterespionage in the widest sense.

GRU

The military secret service, which, according to Western sources, exerts greater influence today than a few years ago. Intelligence people in Denmark regarded the former correspondent for the Soviet telegram bureau TASS, Igor Revjakin, as a GRU agent. Revjakin, who had shown great interest in Danish peace meetings, left Denmark shortly after the expulsion of Vladimir Merkoulov.

World Peace Council

Main office in Helsinki after having been expelled from France and Austria in the sixties. Sub-branches in 135 countries. President is Indian communist Chandra Romesh. Effective throughout the world at the holding of meetings and calling of demonstrations. The Danish branch of the World Peace Council is the Cooperation Committee for Peace and Security.

Danish Connections

The "recipient bodies" are not only attached to the Soviet embassy at Kristianiagade at Østerbro, although it is here that the KGB resident (not identical with the official chief of the embassy, Ambassador Nikolai Egorytjev) has his headquarters.

In Copenhagen, the Soviet trade mission--located at Vigerslev Alle--is separate from the embassy and regarded as the center of industrial espionage. Correspondingly, Western intelligence circles consider a very large number of Soviet press people to be KGB officers. In Denmark, the telegram bureau TASS, the news bureau Novosti, and Komsomolska Pravda are represented by members of their own staff. In addition, state-owned companies such as the airline company Aeroflot, the tourist organization Intourist and Soviet companies' Danish subsidiaries are regarded as having operative espionage status.

The pattern in Denmark does not differ materially from that of most countries with which we compare ourselves. What worries some of our allies is, however, that the Danish openness makes it easier for foreign powers to carry out illegal intelligence activities than it ought to be.

Ambassador Anxiously Claims Colleague Innocent

Following a meeting yesterday with Minister of Industry Ib Stetter, the Soviet ambassador to Denmark, Nikolaj Egorytjev, stressed the innocence of an expelled Soviet diplomat in connection with the government's charges of industrial espionage.

The ambassador had a meeting with Ib Stetter to confirm the decision by the Soviet authorities to place two or three orders for refrigerator ships with Danish shipyards and, subsequently, told the press that he deplored the fact that the diplomat had been expelled seeing that the diplomat, who was the most competent one in the area of trade and technology, also, according to the ambassador, was the one who had taken the initiative and had to be thanked for the fact that the orders were placed in Denmark.

Soviet Embassy in Copenhagen

Trade Mission

Soviet Press in Denmark

Aeroflot

Other East-bloc embassies

Cooperation → World Peace
Committee for ← Council
Peace and Security

7262

CSO: 3613/72

MORE DETAILS ON SOVIET INDUSTRIAL ESPIONAGE CASE

Spy on Run

Copenhagen BT in Danish 11 Feb 83 pp 1, 3

[Text]

KGB spy Eugueni Motorov was revealed by a Danish manufacturer who was a double agent for the Police Intelligence Service.

About one year ago the manufacturer was contacted by the Russian spy who tried to lure him into selling information on top secret electronic equipment. Instead the manufacturer approached the Police Intelligence Service, who decided to use him as a double agent.

The manufacturer immediately approached the police because he was well aware of the conviction of Engineer Bent Weibel for espionage and did not dare to run any risks. Bent Weibel was sentenced to eight years' imprisonment because he sold classified electronic components to the Russians.

In full agreement with the Danish intelligence service, the manufacturer played Motorov's game. The Police Intelligence Service and the manufacturer cooperated to find information and technology which was relatively harmless but which was suited to keep the KGB spy's interest. The manufacturer supplied the information to the KGB spy, while the Police Intelligence Service tailed, photographed and tapped them.

At the secret meetings with Motorov, the double agent was equipped with a secret microphone to permit the Police Intelligence Service to listen in on their conversations over lunch.

Eugueni Motorov had many Danish contacts. According to intelligence sources, he developed an extensive network of agents, but it is as yet unknown what damage he has caused. Motorov was also in contact with East German and Russian firms which have offices in Denmark, and which are presumably used to cover up KGB activities.

The Police Intelligence Service has proof that Eugeni Motorov was prepared to pay large sums of money - as was the case in the Weibel case - to obtain the desired information. His espionage focused on equipment for controlling and detecting missiles and on advanced radio communication equipment.

Eugeni Motorov, who came to Copenhagen direct from the KGB in Moscow, was tailed by 12 agents from the Police Intelligence Service who had been assigned to the case. He was known at the Police Intelligence Service headquarters at Borups Alle for never using the telephone. He knew it was being tapped.

"He behaved the way you see on movies", say sources at the MFA to BT. Eugeni Motorov took active part in the social life among technicians and scientists. He was a well-known figure at Denmark's Technical University at Lyngby, which is the Danish elite within electronics, and he attended all social functions organized by Danish Association of Engineers. He selected his victims at these functions and gradually developed the personal contact with them.

Eugeni Motorov also knew his colleagues in Norway and Sweden, of whom five have been expelled with the past year - also for technological and scientific espionage. The KGB's technical department in Scandinavia has now suffered a great loss.

On December 23 the Military Attache at the Russian Embassy in Stockholm, Pjotr Skirokij, and the Russian Consul at Gothenburg, Jurij Averine, were expelled from Sweden for espionage. The same applied to Anatolij Kotjev, who worked at the Soviet Maritime Registry at Gothenburg.

On February 6 last year the Assistant Commercial Attache at the Russian Embassy in Oslo, Oleg Dokoudovski, was expelled from Norway as was Eugenij Vopilouski, who was affiliated to the Soviet trade delegation.

KGB 'Top' Spy

Copenhagen BT in Danish 11 Feb 83 p 4

[Text]

The time is 7:33 p.m. (on February 10).

The place: The Russian Embassy, Kristianiagade 3, Oesterbro.

First Secretary Eugeni Leonidovich Motorov, 47, steps on the accelerator of the silvergrey Volvo. He switches on the headlights to blind BT's photographer at the same time as the electrically operated gate opens from the Embassy. The KGB spy disappears with screeching tires towards Fridtjof Nansens Plads.

Two and a half hours earlier, Eugeni Motorov had been taken to task together with his Ambassador, Nikolai Egorytchev, by MFA Director Eigil Joergensen. The message was: Motorov must be out of Denmark within fourteen days. He has committed illegal intelligence activities.

The KGB man has conducted industrial and scientific espionage in Denmark.

His task was to procure classified Western electronic equipment for use in the construction and development of the Soviet SS-20 missiles.

One target for the espionage was the American-built F-16 fighters, of which Denmark has purchased 58, and for which Danish electronics companies are subcontractors. Through contacts in the Danish firms, Eugeni Motorov's task was to lay his hands on American electronic equipment which Denmark is entitled to import through its membership in NATO, and which the Russians are highly interested in. What was of special interest to the Soviet espionage was control systems, military communication equipment and computer technology.

No Danes have been arrested or convicted in connection with the KGB man's shady activities in Denmark.

For more than one year the Police Intelligence Service, the PET, has constantly been tailing Eugeni Motorov, and when he was informed of the expulsion in MFA Director Eigil Joergensen's office, Ambassador Joergensen said that the Danish authorities have "solid proof" against Motorov - without, however, disclosing the nature of the proof.

Immediately after the expulsion, there was hectic activity at the Russian Embassy at Kristianiagade. A large part of the KGB staff in Denmark were summoned to a summit meeting, and the street was crowded with cars with diplomatic plates. After a couple of hours the Russian Embassy people left the chancery building one by one. Only Motorov's silvergrey Volvo AK 76 055 was left behind.

At 7:30 p.m. the car was taken into the Embassy area by an employee who was quite obviously not accustomed to handle the car. He had difficulty engaging the right speed. Three minutes later the engine of the car ignited again - this time with a desperate Eugeni Motorov behind the wheel.

The KGB spy drove direct to his home, where his wife, Lioubou, was waiting for him in the spacious apartment on the ninth floor of "Magistrenes Hus". Eugeni Leonidovich Motorov came to the Russian Embassy in Copenhagen five years ago. He was appointed First Secretary for Technology and Science and, in that capacity, he headed the KGB's industrial espionage in Denmark. This appointment also awarded him the status as one of the KGB's five deputy chiefs in Denmark.

Eugeni Motorov was a piece in the large organization which the KGB established in the 1970's to undertake industrial and scientific espionage against the West. Russian electronics and computer technology lags behind Western technology in the field and by systematically stealing and buying Western products the Russians try to bring their technology up to the same level.

Neighbors Hardly Knew Him

Copenhagen BT in Danish 11 Feb 83 p 5

[Article by Hans Uffe Christensen]

[Text]

The expelled Russian diplomat, Eugeni Motorov, almost lived a hermit's life in the huge apartment block "Magistrenes Hus" at Lyngbyvej.

Even the neighbors only knew Mr. and Mrs. Motorov by sight.

"Throughout the four years they have lived in this block, we have practically never spoken with them. We only rarely saw them as they were passing in and out of the apartment", says G. Nilsson, their closest neighbor in apartment E9.

The customers in the cosy and full restaurant on the ground floor of the building did not know much about the Russians either even though present were several regulars who are domiciled in the building themselves.

"There are a lot of diplomats in the building. They were practically the only people who could afford the rent when the building was new. Many of them are regular customers in this pub, but not the Russian couple. Actually, I don't think Motorov has ever been here. And definitely not his wife. She is one of the few people in "Magistrenes Hus" whom I hardly know by sight", says a regular who has lived in the house since it was built.

The expelled diplomat lives in one of the most spacious apartments in the whole building, a three-and-a-half-room apartment on the ninth floor. The monthly rent amounts to DKr. 3,700 including heating. In one special area he was more visible and showed an inclination for luxury.

His private car on blue diplomatic license plates was one of Volvo's most expensive models, the 244 GL with toned windshield, fuel injection engine and all conceivable luxury.

The couple usually drove direct into the car park in the basement of the building and took the lift to the ninth floor.

Russians May Take Revenge

Copenhagen BT in Danish 11 Feb 83 p 6

[Article by Grit Bendixen]

[Text]

Today at 3:00 p.m. it will be decided whether the Soviet authorities will take revenge against the Danish Government for its expulsion of spy Motorov.

A meeting has been scheduled at 3:00 p.m. between Minister of Industry Ib Stetter and the Russian Ambassador, Nikolai G. Egorytchev. The meeting was arranged yesterday - only a few hours before the Russian Ambassador was summoned to the Minister of Foreign Affairs to be informed of the expulsion.

"I assume that the Ambassador comes up here to hand over an order for three refrigerator vessels to be built on Danish shipyards", says Minister of Industry Ib Stetter.

Mr. Stetter's optimism is not shared by officials at the Ministry of Foreign Affairs. They fear and expect that the order will be withdrawn after the expulsion of Motorov, who is expected to deny everything, as tradition prescribes.

"I fail to see the connection between the refrigerator vessels and the expulsion. I still believe that the Soviet Ambassador comes up here to convey the happy news about the order", says Ib Stetter. "The Soviet Union is a country based on government economic planning which has already investigated and assessed the matter most thoroughly, and the Soviet Union has always been satisfied with the vessels which have been built in Denmark".

An order for three refrigerator vessels would be a feather in Ib Stetter's cap. An attempt to secure a Soviet order for three ferries last fall aborted even though Ib Stetter was prepared to go to Moscow to secure the order so that layoffs could be avoided at the crisis-ridden Elsinore and Naskov shipyards.

"It is striking that the Government announces the expulsion on the day before the Soviet Ambassador was to place an order for the construction of three vessels", says Ib Noerlund, Danish Communist Party Secretary and former Folketing member.

"It is striking because obstacles are always thrown in the way of any attempt to normalize relations between the Soviet Union and Denmark. The intelligence service is not as smart as it ought to be. There are of course those who are not interested in a normalization of relations", says Ib Noerlund, without being able to provide a concrete identification of who they are.

"I dare not predict what the consequences will be of this expulsion. But if the attempt to secure the three orders in the fall aborted, the reason was that Denmark, together with the other NATO and EC countries, supported trade sanctions against the Soviet Union as a result of the situation in Poland. But these expulsions, which are never properly justified, do not improve the climate. They do not give a better basis for solving the problems. That is quite clear", says Ib Noerlund.

At the same time as the Ministry of Foreign Affairs expects the Soviet order for three refrigerator vessels to be withdrawn today, it also expects a Danish diplomat to be expelled from Moscow before long.

Wife of Spy

Copenhagen BT in Danish 11 Feb 83 p 6

[Text]

The wife of the Russian spy, Lioubon Motorov, did not know last night that her husband and herself are being expelled from Denmark.

BT conducted something resembling a conversation with her last night. But the telephone line was crackling and making such noises that one is tempted to believe that the PET, FET, CIA, MI6 and several other intelligence services were listening in on the conversation.

Lioubon confirmed that she is married to Eugeni Leonidovich Motorov, and that she expected him to be home soon.

"Are you aware that your husband has been expelled from the country?"

"No, he has not".

"Yes, for espionage".

"Has he - why?"

"Espionage".

"I am not aware of that. You will have to talk to my husband".

The remainder of the conversation drowned in the overwhelming noise on the line.

Later on we tried to get in touch with Mr. Motorov on the telephone, but he limited his statement to a "yes" and hung up.

Spy Tried To Gain Access

Copenhagen BT in Danish 11 Feb 83 p 6

[Text]

The Russian spy had a large field of operation. Ten Danish companies produce parts for the super fighter, the F-16 - the aircraft on which Motorov was to collect as much information as possible.

The companies which have interested Motorov are:

Per Udsen Aircraft at Grenaa.
Christian Rovsing, Copenhagen
Neselco, a subsidiary of L.K. Nes
N.E.A. Lindberg, a subsidiary of F.L. Smidth
Joergen Hoejer at Veksoe
Tema in northern Jutland
Quitsan at Soenderborg
Standard Electric at Horsens
Silcon, and
DISA, a subsidiary of A.P. Moeller.

These companies manufacture inter alia channel frequency readers, control panels, pneumatic sensors, radar screens, tail fins, jamming equipment, flap control systems, arms control systems, computers, and generator controls.

Much of this is top secret - and important information on these parts would have secured praise of Motorov from the KGB.

But employees of one or more of the Danish companies revealed Motorov through double-dealing. It has not been revealed which company or companies have been involved in this for fear of reprisals against the company and its employees.

But Managing Director Christian Rovsing categorically denies that his firm has had anything to do with the Russian agent. The same applies to Managing Director Knud Jakobsen of Standard Electric.

It is well-known that all Danish companies which manufacture war material cooperate closely with both the Defense Intelligence Service (FET) and the Police Intelligence Service (PET).

FET offers guidance to the companies on how to secure buildings, while PET attends to the security clearing of personnel.

The Minister of Justice is the ultimate authority to approve that the companies manufacture war material. Three conditions must be met to obtain the approval:

The company must be Danish.
The management must be Danish.
The capital must be Danish.

A foreign company may occasionally be granted permission to manufacture war material on condition that the product may just as well be used for civilian purposes.

The companies are divided into various categories depending on how secret the production is. In some companies the employees must wear ID cards - in other companies employees may only move from one section to another if they are escorted by a security guard.

But Motorov did not try to gain access to the companies. His most important instruments were knife and fork. Through bribes he would buy employees into supplying information on the F-16.

The Americans have also been part of the game. The American corporation, General Dynamic, produces the aircraft, and - in cooperation with the American intelligence service - it helped the Danes keep the game going against the Russian spy until the proof against him was complete.

CSO: 3613/71

RESEARCH ON SOVIET CHEMICAL WARFARE IN INDOCHINA WITHHELD

Paris LIBERATION in French 28 Jan 82 p 23

[Article by Patrick Sabatier: "Soviet Chemical Weapons: The Strong Presumptions of France"]

[Text] Through the voice of a French diplomat in Bangkok, Paris has just hinted that it has almost irrefutable proof of the use of Soviet chemical weapons in Indochina. It is an admission that France, one of the principal manufacturers of chemical weapons, does not want to overemphasize, in spite of pressure from the Americans.

France is said to possess "proof" of the use of chemical weapons by the Vietnamese forces in Laos and Cambodia, affirms the AGENCE FRANCE-PRESSE in a dispatch from Bangkok. The agency quotes a diplomat from the French embassy in Thailand who asked to remain anonymous. According to this diplomat, the French government is in possession of data that would tend to prove the use of chemical weapons in Indochina. These data are said to have come from the analysis of samples collected on site, an analysis that is said to reveal "the presence of mycotoxins of unnatural origin" in these samples. According to the same source, the French government does not expect to go any further, since the proof obtained is not "absolutely certain and definitive."

This information could refuel the controversy engaged in since 1979 by the United States, which has accused the Soviet Union and its allies of using new chemical weapons containing mycotoxins (poisons produced by the molding process and appearing in the natural state in certain plants) in their war against anti-communist resisters in Afghanistan, Laos and Cambodia. These new chemical weapons have been called "yellow rain," because that was the description of it given by the first witnesses of such attacks, the Hmong mountain people from Laos, ever since 1977. It is also the title of a work that appeared in the United States, which was the first to hypothesize the use of mycotoxins as anti-guerrilla weapons by the Soviets.* The controversy took on more and more importance when secretary of state Alexander Haig affirmed in September 1981 in Berlin that the American government has "material proof" of the USSR's use of

*Sterling Seagraves, YELLOW RAIN, MacEvans and Co., New York, 1981

the weapons, formerly forbidden by the 1925 Geneva convention and a 1972 convention in which the signers (among them the USSR) renounced the research, production and stockpiling of bacteriological, biological and toxin-based weapons.

Since 1979 the American state department has published not less than four reports on the use of these weapons in Afghanistan and Indochina, accusing the USSR and its allies of having put into practice "extermination campaigns" of civilian populations which are said to have killed thousands of people.

For many months American officials declared to anyone who would listen that France knew very well what was going on and was just as convinced as the Reagan administration of the use of chemical weapons by the USSR. They perfidiously insinuated that politically based considerations and softness toward the USSR prevented the French from joining the American crusade. The French government, in fact, has guarded against taking sides officially in the question up to now. It is, nevertheless, in a good position to do so, considering the importance of its contacts in Indochina, its attention to the problem of Indochinese refugees and a very high level of technical knowledge in this field, which makes France the third world power (after the USSR and the United States), in the opinion of all specialists, in C.B. (chemical biological).*

In fact, a confidential source in Paris indicates that the French government has watched this affair, which has been called "serious" for "a long time" and "in the closest possible way," especially since France finds itself in the peculiar position of being the trustee of the 1925 Geneva protocol, which outlawed internationally the use of chemical and biological weapons. It has been confirmed in Paris that the French, "in the same manner as all information services," obtained in an entire series of data on the subject in Thailand--eyewitness accounts of refugees, reports from foreign visitors, sample materials (plants that are supposed to have come from places subjected to chemical attacks, etc.). These data form a "corpus" entirely independent of that gathered by the Americans, whose credibility is subject to caution. Even though no official inquest, properly speaking, has been established to examine the problem, an interministerial structure has been set up. Coordinated by the secretary general of national defense, it brings together on a regular basis representatives of the Defense Ministry, Foreign Affairs and scientific and military experts for the purpose of "interpreting and evaluating" available information.

It has also been confirmed that analyses of samples have been and continue to be carried out in French laboratories. These analyses are not complete, and they have not brought "proof"; they have, however, allowed a certain number of "anomalies" and "a great many presumptions," moving in the direction of the hypothesis of new weapons with mycotoxin bases, to be placed in evidence. It is estimated, in any case, that the refutations presented by the Soviets and the Vietnamese "don't stand up." The French position at the moment goes beyond the conclusions of the last report of the United Nations ("elements of indirect

*See, for example, the recent work of Daniel Riche, THE CHEMICAL AND BIOLOGICAL WAR. Bellefond, Paris, 1982.

proof ... possible use"), but falls short of the American accusation ("irrefutable proof").

If Paris refuses to go any further ("for the moment"), it is because they judge the problem as "extremely sensitive" and "far from being resolved on the scientific level," and because they are concerned about the effects of "sensationalism" on public opinion, to which the matter lends itself easily. Above all, they are not eager to expose themselves to the criticism levelled against the United States as a result of their resolutely "ideological" and polemical approach to the problem, in the pure style of the cold war. All French specialists on the problem agree that the reports made public by the Americans so far are not convincing, because they are clouded by areas of uncertainty concerning sources used, by contradictions and by scientific inexactitude. The problem is, to tell the truth, almost unsolvable, for there can be no "proof" in the strict sense regarding the use of these weapons. "To have proof, it would be necessary for a competent and credible observer to be the direct victim of such an attack, for a number of these substances are nonpersistent agents that disappear without a trace after several hours," explains Ricardo Fraile, secretary general of the Center for Study and Research on Disarmament and author of a work on the judicial aspect of the problem.* He said that he was personally convinced that "it is a question of new chemical weapons used regularly for experimental purposes" in Southeast Asia and Afghanistan. But they think in Paris that the moment has not yet come to publicize the French conclusions about the problem, and they imply that the information broadcast by the AFP [AGENCE FRANCE-PRESSE], which only reiterates an American newspaper article, is a way to force the hand of the French to some degree and to oblige them in some way to "soften" more than they had hoped. One of the reasons for French prudence comes also, perhaps, from the fact that France did not wait for American reports in order to reenforce its own defense potential against chemical and biological warfare. But that is a subject that is even more taboo than the neutron bomb.

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CSO: 3519/320

*Ricardo Fraile, THE FATE OF A BAN [ECONOMICA] Paris, 1982.

ISSUE OF ALEVRAS REPORTED RESIGNATION FROM EXECUTIVE BUREAU VIEWED

Reported Resignation Reasons

Athens I VRADYNI in Greek 7 Mar 83 pp 1, 14

/Text/ Mr Giannis Alevras, president of parliament, has resigned from PASOK's executive bureau as of today, while the prime minister is making vigorous efforts to have him reconsider his action. Mr Alevras' resignation is creating a deep split in the highest collective body of the movement and constitutes the first dramatic internal development of all that has occurred in PASOK since the past weekend.

Formally, the reason given for Mr Alevras' resignation from the executive bureau was "his workload" in parliament. However, parliamentary circles know that the president of parliament is deeply dissatisfied, concerned and disappointed with everything that has recently taken place in the political life of the country and that bears the "stamp" of the executive bureau, without, however, his being informed in time.

His notice made after the holiday --once other members of the executive bureau had, in the meantime, mobilized PASOK's and the KKE (Int.)'s machinery (8:30 pm, Sunday, 27 February) for the army and security corps readiness exercises and had also mobilized the party machinery that had been decided on by only certain executive bureau members since the previous Friday, 25 February--constituted the culmination of his being removed from the higher collective body of the party that makes decisions without him.

Yesterday, a pro-government weekly newspaper tried to play down the news about Mr Alevras' resignation, in such a way, however, that, in fact, it directly acknowledged it without at the same time being convinced of the reasons that brought it about.

According to I VRADYNI's information, Mr Alevras is said to be decided not to buckle under to pressures being put on him to withdraw his resignation because for him --as is being said by persons who know PASOK's behind-the-scenes actions-- "the glass has been filled to the brim." In fact, they said that his dissatisfaction began back in July because he did not have timely notification of the government reshuffle that took place at that time.

Since then, Mr Alevras did not take part --as a sign of protest-- in informal executive bureau meetings as well as in joint deliberations of executive bureau and executive secretariat members.

The split that has been created between President of Parliament Alevras and PASOK's leadership, about which I VRADYNI first wrote on 1 February, is supported on a daily basis by the movement's cadres who have great influence on Mr A. Papandreou and who belong to his close circle.

These cadres, including a minister, a high-ranking personage outside of parliament plus a woman, are systematically undermining Mr Alevras by bringing to the prime minister their information that he is meeting with PASOK cadres both in and out of parliament, that he is trying to create the impression that the chaos being spread by the government can be put to an end through his being named prime minister, that he often makes comments on ministers in parliament and thus diminishes their importance, etc.

According to I VRADYNI's information, a few of the deputies who meet and discuss with Mr Alevras take his views and the contents of their talks to the three-person group close to the prime minister and then, in turn, immediately relays the information on to Mr Papandreou.

Others Too Do Not Participate

Alevras' resignation is being viewed by reliable political observers as dynamite placed at the foundations of the executive bureau that, in essence, is being dissolved because, besides the president of parliament, Minister of Foreign Affairs Io. Kharalambopoulos does not take part in its meetings as a show of protest over his surely expected elimination from his present government post.

It is being said that he is being groomed for vice president of the government following the enactment of a change in the law "on the ministerial council," by which such a position will be created.

Besides Messrs Alevras and Kharalambopoulos, Minister of Health and Welfare Par. Avgerinos too is not seen very much at meetings of the executive bureau for various reasons.

It is not known whether Mr Avgerinos' absences are due to his own initiative or to his being excluded by the executive bureau's "hard-liners."

The picture of the disintegration of the once all-powerful PASOK executive bureau is complemented by the acute personal battle that has broken out between its two most powerful member ministers, namely Minister of Public Works Tsokhatzopoulos and Minister of Interior G. Gennimatas, over the issue of the Sunday, 27 February, readiness exercises. Specifically, in the manner and way the minister of interior acted to mobilize PASOK's machinery.

Specifically, Mr Tsokhatzopoulos was enraged with Mr Gennimatas because the latter proposed the "exercises" on the very day when he was away in Algeria and because only that party machinery of PASOK that is controlled by Messrs G. Gennimatas and K. Laliotis had been mobilized during that Sunday night.

In the meantime, political observers consider last Sunday's party exercise as an attempt by Mr Gennimatas to have his "revenge" on his party opponents who had made charges against him after the municipal elections, charges that even Mr Papandreou did not think of clearing him of.

Other political observers, however, maintain that with last Sunday's party exercise, Mr Gennimatas "messed things up for himself" because he has now succeeded in getting against him not only Mr Tsokhatzopoulos but many ministers who the night of the exercise felt especially humiliated because they were left in total ignorance on all that was transpiring and because, indeed, they had been, in essence, formally cut off for 48 hours since the services of some of them had been taken over by the "green guards," without the top ministers knowing anything about it (for example, Minister of Energy Ev. Kouloumbis).

Government Spokesman's Denial

Athens TA NEA in Greek 8 Mar 83 pp 1, 18

/Excerpts/ The machinations of the Right are spreading. Its goals are to create a climate of agitation, cause confusion in public opinion and thwart the work of the government.

Yesterday, the government did not content itself to refuting vigorously as lies I VRADYNI's article about the alleged "resignation" of President of Parliament Alevras but charged, through the voice of Deputy Minister of Press Dimitris Maroudas, that within ND is the center that channels to the rightist press all of this alleged "news" and "information" for the purpose of disorienting public opinion both in Greece and abroad.

The new case in this attack, that the Right culminated by yesterday's published article about the alleged "resignation" of Mr Alevras from the PASOK executive bureau, is certainly not an isolated incident. To the contrary, as pointed out by leading PASOK cadres, the attack in the war to damage the government has recently become especially acute with the continued published articles in the rightist press over the readiness exercises and popular mobilization, as well as in statements and articles by leading ND cadres.

It is to be pointed out here that leading ND cadres went to the point of making assertions that the readiness exercises and popular mobilization was nothing other than...a plan by the government and PASOK "to set up a dictatorship!"

As PASOK and government officials have stressed, this attack will certainly continue and expand with all means whatsoever.

It should also be stressed that Mr Alevras, president of parliament and a leading PASOK cadre, is a special target of the Right because he is a recognized personage with very broad authority and because his close ties of friendship with and common actions linking him with Prime Minister A. Papandreou are well known.

During this evening's briefing of political editors, Mr Dimitrios Maroudas made the following statement and charges:

"Whatever has been written about the structure and functioning of the PASOK executive bureau are shameless lies.

"As is known, the members of the executive bureau have assumed important government duties, while Mr Alevras has assumed the presidency of parliament. Under these conditions, the functions of the executive bureau have been modulated within new contexts.

"The most significant of all is that the executive bureau is limited to the drawing up of the well-known strategy and tactics of the movement within the context of the decisions of the central committee. For exactly that reason the day-to-day administration of the movement has been given over to the newly-established executive secretariat. And we hereby inform ND, and especially its leadership that builds on inaccuracies, untruths and lies, that it will be very strictly judged by the Greek people."

Justifications Proffered

Athens ELEVETHEROTYPIA in Greek 8 Mar 83 pp 1, 15

/Excerpts/ Mr Giannis Alevras has not resigned from the PASOK executive bureau but his capacity in that position has tapered off (he does not take part in meetings) following his election as president of parliament. This is the truth on the issue that I VRADYNI tried to create yesterday to the detriment of PASOK and the government that hastened to categorically refute the published article. According to completely verified information of ELEVETHEROTYPIA, Alevras' absence from the executive bureau's meetings is not related to disagreements, dissatisfaction or disappointment over "everything that has recently take place in the political life of the country" -- as the pro-ND newspaper wrote and signed by the former press official of the honorable opposition party.

Yesterday, Mr Alevras was satisfied with the denial made by Deputy Minister of Press D. Maroudas --as he stated to an ELEVETHEROTYPIA editor-- i.e. that his denial of a few months ago covers every aspect and he was not about to concern himself with anything "imaginary and laughable" that is being published.

Meetings

Incidental information of ELEVTHEROTYPIA mentions the following:

- The PASOK executive bureau rarely meets with all of its members present because of the workload they have undertaken following their assumption of government duties.
- Mr G. Alevras and Minister of Foreign Affairs G. Kharalambopoulos have not participated in meetings following the elections. However, even about 1-1/2 years prior to the elections, Mr Alevras' involvement in his duties as PASOK's parliamentary representative did not allow him time to often take part in party meetings. The weekly meetings of the executive bureau prior to the elections usually took place without the participation of its parliamentary members (Alevras and Kharalambopoulos).
- The executive bureau had appointed a three-man secretariat 5 years ago on which all of its members had served from time to time. Purpose of the three-man secretariat is coordination of the work of the executive bureau. The present make-up of the secretariat is (in alphabetical order): Messrs G. Gennimatas, K. Laliotis and Ak. Tsokhatzopoulos.

Spokesman's Denial Derided

Athens I VRADYNI in Greek 9 Mar 83 p 1

/Editorial: "Who Exposes Whom..."

/Excerpts In principle, it would not be worth the trouble to seriously concern ourselves in these columns with the denials made by the government spokesman.

The denial of I VRADYNI's exclusive information over the resignation of President of Parliament Alevras from the PASOK executive bureau could thus have been deemed a continuation of the denial of the drachma devaluation --and thus remain uncommented upon. I VRADYNI can fight the PASOK government but it intends to confront it seriously and without ridiculous words.

The president of parliament did not deny I VRADYNI's published article. But the unfortunate spokesman got the order to undertake an insulting attack on this newspaper, without, of course, our having the right to answer...The only thing was that the spokesman had the additional bad luck to get into an argument later on at his meeting with political editors. At that meeting, while answering reporters' questions, he indirectly confirmed Mr Alevras' resignation and also left the impression that the government movement's executive bureau has, in essence, been dissolved. How else to interpret the acknowledgement that, besides Mr Alevras, both Minister of Foreign Affairs Kharalambopoulos and Minister of Health and Welfare Avgerinos systematically absent themselves from its meetings?

A government colleague of ours diplomatically writes that the president of parliament did not resign but "his capacity in that position has tapered off." In other words, if it is not one thing it is another.

It is a PASOK internal matter if the secretariat "troika" (G. Gennimatas, K. Laliotis and A. Tsokhatzopoulos) can fill the void. However, an executive bureau, following the resignation of Mr Alevras and the absence of Mr Kharalambopoulos, even if Mr Avgerinos were not to be absent, cannot possibly survive. The 9-member executive bureau that became 8, that became 7, that had been cut to 6, to finally end up by the mentioning of the names of the 3 "new Turks" of the troika, constitutes a subject fit only for puns. And certainly the party central committee is not fit for serious discussion since it almost never convenes and about whose existence the government spokesman had to remind us.....

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CSO: 3521/245

CONTINUING COMMENTS ON GOVERNMENT'S 'READINESS EXERCISE'

Reported Intra-Party Disagreements

Athens I VRADYNI in Greek 7 Mar 83 p 8

/Article by Titos Athanasiadis/

/Excerpts/ The consequences brought about in the PASOK parliamentary group through the parallel army and security corps "readiness exercise" and the "partisan mobilization" of the government party and the two KKE's on Sunday, 27 February, have been shattering.

Almost all the PASOK parliamentary group members, indeed, following the speech by Minister to the Prime Minister Koutsogiorgas before parliament on Friday, have become deeply concerned over "everything that irresponsibly occurred on 27 February that shattered the confidence of the people in the state and diminished the authority of the country world-wide."

Specifically, the centrist-inclined cadres that make up the majority are indignant for many reasons --certain ones, however, because they were not informed over what was to take place and consequently were not mobilized, something that showed that they are not included in the relative plan and are considered as being placed on the sidelines without their being taken into consideration by the movement's leadership.

The centrist-inclined PASOK deputies are also indignant because the party machinery of the movement was identified with the party machinery of the two KKE's and thus confirmed its leftist orientation due to the influence of a small but decisive and dynamic minority of Marxists.

The first reactions of the PASOK deputies were manifested Sunday night by phone calls to Mr Alevras, president of parliament, who, although indignant himself over what had transpired, tried to calm things down.

On Monday, moreover, many deputies visited his office and protested their being left out of the movement itself and over what had arbitrarily occurred the day before.

From what these deputies talked about it was ascertained that Mr Alevras was not only exasperated but enraged and he did not cease describing to his close associates Sunday's "operation" as "a dangerous piece of stupidity."

Meeting at the Ministry to the Prime Minister

The repercussions over the mobilization of the partisan machinery of PASOK and the two KKE's were discussed Monday (28 February) at a meeting held at the Ministry to the Prime Minister between 9-11 am and attended by Minister to the Prime Minister Koutsogiorgas, Minister of Interior Gennimatas, Minister of Merchant Marine Katsifaros and Mr A. Livanis, director of the prime minister's political bureau.

It is said that among the topics discussed was the failure noted in the execution of certain aspects of the mobilization plan, as well as errors committed by the Ministry of Public Order.

According to reliable information, the alert in the army was scheduled to take place Sunday night and the mobilization of the party machinery at the same hour.

However, for the success of the exercise the security corps had ordered the reconnaissance of places by certain forces (such "places" being the homes of the president of the republic, the prime minister, the presidential palace, the Maximos Building, as well as ERT /Greek Radio and Television/ 1 and 2, etc.) on Saturday night. However, this movement was misconstrued as an alert of security corps units for the confrontation of suspect movements, something that created the rumor about a coup d'etat --a rumor that spread abroad and at 11 am Sunday was broadcast over Berlin radio!

It was exactly this broadcast, according to the same information, that speeded up the implementation of the plan for an alert in the army and "mobilization of the party machinery of the Left," something that brought about confusion even among those involved in the plan.

Change of 0 Hour

According to one view, the implementation of the plan a few hours earlier than 0 hour was a decision of Messrs Gennimatas and Laliotis who, with the excuse of the leak of the secret abroad, mobilized earlier a segment of the machinery they control and which constitutes --as it is being called-- a "faction" within the party machinery, but at the same time the "spearhead" of the movement.

In this way, within the framework of the general exercise of the movement, the machinery that is controlled by Gennimatas and Laliotis, and that is considered as intransigently Marxist, conducted its own exercise. An exercise that --as old-time politicians relate-- must cause problems for Mr Papandreou himself, more than anyone else, "who could at some point in time be the target of this faction's machinery."

Was it not strange that the mobilization of the PASOK party machinery was decided on and implemented the very day when Minister of Public Works A. Tsokhatzopoulos was not in Greece (he was in Algeria). He is a member of the executive bureau and one of the top men in the party machinery and opponent of Mr Gennimatas in the fight for the creation of strong personal support within the party.

There is information to the effect that Mr Tsokhatzopoulos learned about the party exercise suddenly and then asked for explanations and details but none were forthcoming...

Those who well know PASOK's behind-the-scenes actions now maintain that Mr Gennimatas, with the implementation of the party exercise, has come out with a sound victory over his opponents in the tug of war over the claim of Andreas' succession.

Indeed, they are saying that it was a question of a "masterful" tactic by Mr Gennimatas, a small intra-party coup d'etat since the suggestion for the implementation of the party mobilization was his and the decision was made without those other possible successors of Andreas within the party, namely Messrs Alevras, Koutsogiorgas and Tsokhatzopoulos, knowing about it.

Who Made the Decision

In fact, the decision for the mobilization of the party machinery was made at a meeting of the movement's leading cadres at Kastri, Friday, 25 February.

Taking part in the meeting were Prime Minister Papandreou and the members of the executive bureau, namely Messrs Gennimatas (minister of interior), Avgerinos (minister of health), Moralis (deputy minister of education), Laliotis (deputy minister of the new generation) and Khristodoulidis (director of the Athens News Agency).

Not present, besides Minister of Foreign Affairs Kharalambopoulos (member of the executive bureau) who was out of the country, was President of Parliament Alevras who was not invited although he is a member of the executive bureau because of his alleged duties as head of parliament, as well as Mr Koutsogiorgas because he does not belong to the executive bureau.

Therefore, the entire party machinery was in Gennimatas' hands for two 24-hour periods (!) without anyone knowing his plan and what he himself was aiming at.

Sunday's party exercise has heightened existing opposition between the various PASOK tendencies and primarily between the moderate, conservative elements and the Marxists.

Indeed, many of the former are asking for Mr Gennimatas' "head on a tray." They are demanding that he resign.

As an argument, PASOK's conservative parliamentary cadres are mentioning the fellow-traveling tendencies noted recently with the KKE, as shown by cooperation in the exercise, as well as the demonstrations against the /U.S./ bases on 3 March.

They say, "Responsible for this situation is Gennimatas."

Andreas' Problems

According to reliable information, the party mobilization has caused problems a posteriori for Mr Andreas Papandreou, if it did not frighten him with regard to its unfavorable repercussions to the authority of his government both at home and abroad.

Primarily, however, it is being said that what has caused him a problem was the facility with which a high party cadre could "contrive" a combination of actions by armed units and select party organs.

KKE Proved Readiness Superiority

Athens I KATHIMERINI in Greek 6-7 Mar 83 pp 1, 3

/Excerpts/ Last Sunday's events, as well as the way the government handled them, provoked massive opposition within the government majority. Protests are no longer restricted only to deputies and a few party cadres but have extended to many ministers, covering the entire country and not restricted to the narrow confines of the capital. The selective manner with which the mobilization of the party cadres was made and the fact that not only the deputies and many central committee cadres but also most ministers were not informed about the alleged move has caused dissatisfaction throughout the entire majority group.

Repercussions on the Economy

The first complaints were made Monday and Tuesday by top economic ministers, following President of Parliament Alevras who since Sunday night has pointed out the repercussions both at home and abroad from the mobilization of the party machinery. According to information they have begun to gather, the economic ministers particularly noted the repercussions on the economy and on international confidence in the country.

The prime minister especially, following his meeting with President K. Karamanlis, on Tuesday on, began to reevaluate his position on the party mobilization. Thus, while he was previously enthusiastic over the mobilization (he had not yet, moreover, evaluated the relative repercussions of the KKE in the mobilization), after Tuesday he acknowledged that excesses had been committed that could have been avoided.

He Has Promised Changes

Over the entire week, deputies and ministers have been almost openly commented in the parliament hallways about last Sunday's events. Most have acknowledged that the situation has constituted at least a downgrading of both ministers and deputies, while it irreparably jeopardized them in their relations with various classes and even with their constituents. Besides, they also commented negatively on the inconsistent government effort to justify Sunday's events, with an initial denial of the mobilization --beyond "spontaneous demonstrations"-- and the subsequent acknowledgement of the mobilization by the minister to the prime minister on Friday during a discussion in parliament.

According to information, the repercussions were close to an open split within various groups in the party machinery. On Sunday, the partisans belonging to the "groups" of Minister of Interior Gennimatas and Deputy Minister of the New Generation Laliotis were mobilized, while friends of Minister of Public Works Tsokhatzopoulos, who is considered second in power in the party after Mr Papandreou, were not even informed.

Mr Tsokhatzopoulos was away in Algeria on Sunday and as soon as he returned and was informed about the events he strongly protested, deeming this selective mobilization as being personally turned against him. Also protesting with him were many members of the central committee, most of whom had not even been notified.

The matter was discussed Tuesday night by the executive bureau during which Mr Papandreou maintained a conciliatory stance and recommended to Messrs Tsokhatzopoulos and Gennimatas not to be opposed to each other.

However, the problem remains because, besides President of Parliament Alevras and Minister of Foreign Affairs Kharalambopoulos, Minister of Health Avgerinos no longer attends the executive bureau meetings, while Mr An. Khristodoulidis rarely goes. Therefore, the top organ of the government has been downgraded by events and has been cut down in importance, while it has been converted into a "reckoning" ring between Messrs Tsokhatzopoulos and Gennimatas who are trying to gain control of the overall party machinery through it.

Relations With the KKE

Sunday's events have shown once again that relations with the KKE can be none other than feigned friendship. The mobilization of the KKE's party machinery was more perfect and effective from the standpoint of time and "positions" in such a way that it beat PASOK's mobilization in every aspect. From this standpoint, the mobilization of PASOK's party machinery was characterized as ranging from anemic to complete failure in various parts of the country.

High-ranking officials of the government party are careful to conceal this fact but it does represent one of the prime points of dispute within the various groups.

On the other hand, the success of the KKE's mobilization and the beating of PASOK has given birth to second thoughts and doubts in both parties. In PASOK, it has been determined that in another similar situation the government party would always be under the KKE's control with all the direct and indirect repercussions known from history. The government party has not yet come to any decision on this matter although it is being deeply studied by the prime minister and his close circle.

In the KKE, despite the fact that it has been determined that the party machinery can be immediately mobilized, the question is being asked if this serves it politically because it appeared as the "tail" of PASOK. The question is also especially asked if the party policy is served through identification in similar actions with PASOK and a complete cutoff from all other parties and from broader public opinion. Quite a few within the communist party believe that the party must not be jeopardized in such actions that "change" its character, the one that it lately cultivates as parliamentary political power.

5671

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LUBBERS' PREMIERSHIP, GOVERNMENT ASSESSED

Amsterdam ELSEVIERS MAGAZINE in Dutch 19 Feb 83 pp 10-15

[Article by Rene de Bok and Coen van Harten: "The First 100 Days of Lubbers' Cabinet"]

[Text] He lacks Van Agt's sense of direction, the political astuteness of Den Uyl; therefore Ruud Lubbers will never be Uncle Joop nor ever Our Dries. In privacy he works on his quiet indispensability, on a cabinet which is conspicuous by its inconspicuousness.

In the first 100 days of his premiership Ruud Lubbers has changed from the sphinx of the Inner Court to the business leader of a crisis cabinet. He is no visionary. The team of technocrats is being led by a verbocrat who with his "talking people into and out of things" acts as a guarantor of unity within the team. Viewed against the background of the crisis he is not making a bad start. Lubbers, the economic negotiator, has brought together the social partners. Outside his own area, his intelligence has often left him in the lurch. With his irrational statements he has drawn upon himself the indignation of (Jewish) Holland.

Lubbers is not only the first CDA [Christian Democratic Alliance] prime minister who takes pleasure in confronting Parliament; he is also the first recognized crisis politician. The VVD [Peoples Party for Freedom and Democracy] is demonstrating itself as opting for accommodation; the PvdA [Labor Party] maintains a remarkably peaceful attitude. Thus Lubbers appears to be succeeding in giving countenance to this cabinet--but not to his structurally shrinking party, the CDA, though this is the very party of which he has become the incarnate personification. Lubbers, the center field, ~~does~~ not only strive for symbiosis, he himself is symbiotic, less sphinx-like than before, but a bigger mystic than his predecessor was ever held to be.

When in the wee hours in his work room premier Lubbers has gathered his papers on general matters, and without looking at anything goes by the door keeper's cubicle of the Inner Court, the Hague nights are lonely and most of his minister colleagues have already sunk in deep slumber. Diligent; his heart and his business are like two inseparable companions. In the late afternoon of 13 October of last year the former Jesuit student was to launch an innovation at the level of the Dutch idiom. "Now for a positive basic attitude I will

consider accepting the candidacy if it is actually introduced for discussion in the government formation." Lubbers does not have an attitude, but a "basic" attitude. He still does not wonder what the PvdA wants, but what the PvdA "essentially" wants. The liberals do not have a problem, but a "basic" problem ("that they take up the freedom element so seriously"). Unlike Den Uyl, when he says that it is a matter of two things, for Lubbers this is "most profoundly a matter of two things." He never tables something, but "concretely tables something," a "bit of economic legislation" for example. Lubbers finds that it could do no harm to "let a bit of vision filter through."

In the first 100 days of his premiership Ruud Lubbers turned out to be more of a policy-making team leader than a visionary. When Arie Groenwold was still stepping into the breach for the interest of the trade unions and the perspective pointing to a Dutch government of workers' councils, he pushed Lubbers to the front as the minister candidate for economic affairs in the first Den Uyl cabinet.

At first Den Uyl was somewhat skeptical, but was quickly won over by the contemporary sound of the employer's son who differentiated himself favorably from the heavy timbre which was representative of the United Nations and NCW [Dutch Christian Employers' Federation] big wigs. Six years later Arie Groenwold revealed his disillusionment in an open letter to Lubbers who was then the faction chairman of the CDA: "I have no respect for your behavior and your ability to say nothing with a lot of verbiage."

Even after more than 3 months of Lubbers' policy its vision remains shrouded behind a nebulous verbosity even for the insiders of the Inner Court. The team of technocrats such as Ruding, Van Aardenne, Winsemius and Smit-Kroes is being led by a verbocrat.

To quote former Minister for National Housing Hans Gruyters, at the time of Lubbers' verbal skirmish in the Catshuis: "It is just a column." NRC-columnist J.L. Heldring berated his vague use of words. In the CDA election program of May 1981, which he initiated with: "For a significant existence," Lubbers went on to demonstrate his talent: "Economically speaking this winter is upon us. Whoever says that he can turn this into spring by the turn of a hand is a false prophet. It is quite possible for us to behave in such a manner that we can well manage through the winter together. No bleak reform, but conscious adjustments, jointly mapped out. Not only with a step backwards, but sharing work and income with an eye to the future. This, for a significant existence." No kind of John Doe can make anything out of this.

Lubbers himself does not put much importance on his choice of words; he looks at this differently "kind of differently" as he is apt to say. "It is remarkable how difficult it is to communicate over nuances."

Shortly before Ruud Lubbers was to attend secondary school he was given a test: "I should find it difficult on how to put it; with my Dutch...with that, I just had the least difficulty!!!" From this it would appear that Lubbers did not experience too many obstacles with his language. That is not surprising. His idiom is really not the last thing which deserves credit for his having acquired such a notable position in the country's politics.

Because of his expostulations connected with each other by nuances he remains acceptable to the left and to the right in every political constellation. While "Red Dries" quickly lost his progressive image, Ruud Lubbers hung on as "our Lubbers" even during the fiscal period's somewhat less bright chapter for Joop den Uyl. He calls himself "pure-blooded capitalist," making things stretch, but really as a multimillionaire. From reading Norbert Schmelzer's book he derived "a taste of vision." As a young radical he was left with frustrations with the night of Schmelzer, yet he did not switch over to the PPR [Radical Political Party] by following the trail of his pinkos.

Lubbers is a born big dealer, trained in weighing words. He is a man of "and... and" "on the one hand...on the other hand." In him every thesis ends up with an antithesis which is appropriately compared and then finally comes out of his mouth as a synthesis. "The PvdA rejects the synthesis. For the PvdA the smallest majority is a determinant for the country's interest." Also: "The PvdA thinks strictly in terms of a guided economy." On the other hand: "Most VVD voters belong to the establishment, the genuine community spirit is lacking." During the most recent CDA congress he attacked "the powerful, rich, right wing Holland." According to Lubbers "the ruling party adjusts itself to the type of society which we now have." Because of this he is calling for a certain amount of latitude for loyalists, dissidents and others of different opinions. It is not for no account that the dyed-in-the-wool antirevolutionary parliamentarian Marten Schakel referred to him as the "personification of a CDA politician."

But the anti-thesis is not always a strange thing with him. He easily gets mixed up with the principles of power politics. In August of last year he made short work of people of different opinions who started to get in his way. He reproached Jan-Nico Scholten as a bungler; he forbade him from painting a prophetic vision on the nuclear arms policy: "I will not be told by the grace of a prophecy of one Scholten that what we of the CDA have achieved is nothing but a mess."

"We of the CDA..." Lubbers identified himself strongly with the team to which he now dedicates himself. Lubbers regards himself as the exponent, the symbol of a political course. In fact he indignantly noted down every reproach of disloyalty directed at him. When at the start of the second Van Agt cabinet he was accused of conspiring, in concert with Den Uyl and Terlow, to undercut Christian Democratic Leader Van Agt he came out muttering: "Nothing is less true. I have invested much, a very great deal, in the second cabinet of Van Agt. My relations with Van Agt have remained a first consideration. More than once there were moments when Dries did not see things going right. Discouraged, he wanted to call it quits. So then I had to pull him through this point."

Lubbers, the First 100 Days: The significant farewell to a sort of mystic policy, for which Van Agt became famous, spurred the momentum of the nation. Lubbers demonstrated evidence of competency during the debate on the government's policy declaration. The Socialist opposition described the debate as a "relief." Serious and business-like deliberations without the disrespect before the chamber which, in the eyes of the Socialists, Van Agt displayed rather continuously. Lubbers showed up in the chamber always ready to fight; he did

not show the signs of hesitation, the closely veiled aversions which characterized Van Agt. Van Agt used to go to the chamber debates with leaden shoes, so to speak; Lubbers felt like a fish in the water there, a lightning-fast fish which still succeeds in slipping through the meshwork of the net. Lubbers is a believer in starting out his day in the early morning and sometimes he is already in his workroom by 7 o'clock. Van Agt could not drive himself to do that and, if he was at his desk by about 9:30 or 10, officials winked at each other as though to say that the prime minister had gotten up on the wrong side of the bed. Often Van Agt was not at all capable of trudging his way to the Inner Court. To a large extent what kept him from showing up at work was his exasperation; to a lesser extent it was his precarious health. A number of times Van Agt appeared to be too weak, ill or queasy. On sick leave for lack of work motivation...This is what they call it in industry. Lubbers is not the disagreeable person; he gets along well with his officials and is a good listener. Under pressure from a policy crisis Lubbers fares better than Van Agt. He speaks with authority to employers' and employees' organizations. Van Agt was not regarded as a speaker to be taken seriously by one or the other party. When, at the end of January, Lubbers addressed a word of warning to both of these partners in society his word was heard. "If employees as a whole choose to have price compensation instead of work redistribution, then they better not expect extra money for employment and for worktime sharing from the cabinet." Then he added: "The same applies to employers if they proceed to pay out price compensation." Lubbers did have a stick behind the door and the warning was not without result. Employers and trade organizations surrendered their original obstinacy for an agreement on the exchange of price compensation for the shortening of work hours.

Actually Ruud Lubbers is the first Christian Democratic politician of stature, at any rate, the first CDA premier who has been able to get the benefit of the doubt even from political opponents. He is a man from the flexible and often shifting center who is not so much afraid that it "essentially" shifts to the right in order to talk with Lubbers, but is mostly afraid that the impression will arise that the CDA is in reality shifting to the right. This is the reason he was timorous during previous cabinet terms. With the first Van Agt cabinet he worried over the "excessive complacency of the VVD," he worried about Rietkerk "who appeared satisfied with almost any solution." The meagerly informed outsider would then think of every compromise...as certainly being a VVD solution.

Lubbers is now once again battling with this problem. He is not succeeding in tracing any partisan image through the polarized Dutch landscape by means of his sought syntheses, compromises and broad policy bases. There is little room for a typical Christian Democratic solution, whatever that may be. The marginal latitude is still being dammed up by the VVD's traditionally reserved attitude towards denominational usurpers.

At the outset of Lubbers' cabinet (young liberal) Nijpels left no doubt whatsoever that there is little good in the manner in which Lubbers conducted the political profession. Cold in his own manner, Nijpels says that he always understood that in the Second Chamber it had always been very difficult "to penetrate to the deepest inner motives in Lubbers's mind." "He should not (so I presume) blame me for the fact that after 6 weeks I have not succeeded

in this." At the unexpected relevant moment Lubbers replied saying that Nijpels would not succeed in doing so even in the next 6 years. Nijpels then uttered the vain hope that Lubbers would never be appointed to a cabinet. The liberals' distrust of denominational politics meant that Nijpels was watching Lubbers's conduct of things with a deep mistrust. The VVD remembered all too well how Lubbers watched the first Van Agt cabinet as though he was a 17th minister. Nineteen-eighty became Lubbers' year. He did not let any opportunity go by for tackling decadents and existential philosophers as energetically as he could. Wherever possible he tried to restore retrenchments to the proportions which the PvdA had eyed with satisfaction.

Now Lubbers himself, being urged on by a spirit of retrenchment, is laying down the basis for the necessity of sacrificing and economizing by calling for the kind of responsibility that goes with his position: "Managing does make one more conservative. Certainly so, because you carry the responsibility for the functioning of society in its administrative aspect..."

Lubbers' political line is now being thwarted by Den Uyl's very moderate opposition.

When Lubbers wanted to give the cabinet's policy a completely CDA character this was not in the least made easy for him by Den Uyl. Lubbers discovered that this was a burden, a source of opposition he could hardly neutralize. His relation with Den Uyl is of a complex nature. In Den Uyl's cabinet he turned out to be a brilliant but problematic young gentleman. In this respect he himself said: "On more than one occasion, decisions in Den Uyl's cabinet were not made through reasonable discussions, but through the brute force of the number of votes. Those government members of denominational parties were, so to speak, embodied in the PvdA and, as a former minister of economic affairs, this is still fresh in my mind."

After shadowing the CDA/VVD cabinet for 4 years he said this about his relation with opposition leader Den Uyl: "In past years I have locked horns with Den Uyl on more than one occasion and whenever necessary I have pinned him down. However, this is no reason for saying: I don't want to have anything more to do with that terrible man." While, after the last catastrophe, Van Agt took leave of Den Uyl quietly and in a cordial manner, Lubbers says that he reacts more soberly than Van Agt: "I do not overdo it to the emotional point."

During his inscrutable career in politics Lubbers has been progressive, conservative, ultraconservative, broadminded, close-mouthed and royal. In his own personality he embodies: leading citizen and big industrialist, man of small differences and wide vision...antitheses which he tries to reconcile. Lubbers is not much more to the left than Van Agt. He is more like the tone which sets the music, more the suggestion of solidarity than the demonstration of it. In the chaos of Van Agt's second cabinet Lubbers says that he was surprised by a feeling of compassion with Van Agt. This is how he expressed the feeling which got the upper hand in him: "Here we are together in an auto which has gone out of control. The driver sees that it is not stopping. So I take over the driving to resolve the problem, thus it takes the both of us to accomplish this." This is a metaphor which leaves little room for non-comprehension: Van Agt in the role of the driver who lost sight of the future and seeks the help of a man who can retrace the right trail in the labyrinth of time.

The human difference between Van Agt and Lubbers is great; in politics they are in stronger agreement than is being realized. But unlike Van Agt, Lubbers avoids items such as law and order or too high wages for youths. He would rather talk about workers than average income people and even there he manages with that obtruse idiom of his. He will never resort to the archaic pulpit language in the style of Aantjes, no matter how much he moralizes. He will not be easily drawn into mentioning social justice or be seen putting the latest touch on a Sermon on the Mount. He differs with his friend Aantjes; Aantjes goes into ethics, Lubbers is a moralist.

This is the difference between the fundamentalist (however "progressive" he may be), dogmatic, reformist Christian, who knows Kuyper's teachings on the anti-thesis from the inside out, and the Jesuit-raised Catholic from the province of Holland who doesn't know much about Catholic political theory as developed by Schaepman, but understood Romme's principles of power politics very well. In 1980 he was chosen as the politician of the year by parliamentary journalists. One of the reasons was: "Whatever he says does happen. That is the clever, typically Catholic power politic reminiscent of Romme."

Van Agt, the narrow-shouldered man, who developed into a power politician after having been a Nijmegen professor lost in the Inner Court, remained a non-politician in the eyes of his electorate. Ideologically the populist Van Agt was better prepared than Lubbers is now. Van Agt understood that it is useless to try to reconcile the irreconcilable and the irreconciled. Van Agt had a fine nose for the various nest-fragrances and so he became even more liked at the reformational rank and files than at the former KVP [Catholic Popular Party]. His Roman Catholic joviality did better in Friesland than in Limburg and this is a score which Lubbers will never attain.

The popularity of Orthodox Catholic Van Agt among Protestant rank and files is explainable because reformation is mainly a culture of the word. At the start Van Agt expressed himself with southern nonchalance on more than one occasion. But this is what did him in when, in talking with newspapermen, he let out that he was an "Aryan." This thoughtlessness led to a national row in which feelings ran just as high as at the time of the Menten episode. Since then Van Agt has been choosing his words more carefully and his archaic, juridical manner of speaking is the main reason for his popularity among the former CHU [Christian Historical Union] and AR [Antirevolutionary] followings.

With respects to Lubbers there is nothing to be said about word culture, but rather of wild growth. Catholic as well as Calvinist exegetes encounter the greatest difficulty with his outpourings. This exuberance has devolved on precarious themes such as the people who were directly or indirectly involved in the years of occupation. Lubbers was the only faction chairman who did not put his nose in the chamber debate on the Menten Report of the Schoffer Committee. In HET PAROOL, Harry van Wijnen ascribed that to Lubbers' "little emotional involvement in the history of oppression and resistance." In Lubbers' modern objectivity and his no-nonsense before something comes up, emotional involvement has not surfaced. After all Lubbers did not exhibit any signs of being hurt and correspondence between Van Wijnen and Lubbers on the subject of Catholics and the war years began to be exchanged.

Shortly thereafter the contrast between Van Agt and Lubbers came again to light when [General] Luns' relationship with the NSB [National Socialist Movement] was put on the agenda. Van Agt stuck to an understandable and at least consistent story: Even if Luns had lied about his NSB membership he did not regard this as a motive for giving up the position of NATO secretary general. Lubbers had an incomprehensible argument: If Luns' denial was incorrect, then this must have justifiably resulted in consequences. However, subsequently he made it impossible to establish whether Luns' denial was the truth. He instructed his faction to vote against an investigation. Lubbers did not write down his remarks on the consequences of a lie. He spoke on the spur of the moment with interruptions from former prime minister Van Agt. When he returned to his bench he realized that he had injected a contradiction into the story and with this Luns could get away with just a scare.

Last Friday the no-nonsense Prime Minister Lubbers managed to connect matters which have nothing to do with each other. He confused Israel with the Jewish people. What he had in mind was that the draft legislation announcing mandatory boycott measures should have been withdrawn in line with the situation in Israel. Lubbers had made the protection of Dutch-Jews against discrimination implicitly dependent on the policy of a foreign power, in this case, Israel. A jurist of the caliber of Van Agt would not have inserted the notation which clashed with all reason. But Lubbers did, and once again he let himself be known as the economist who, outside the bounds of the social-economic triangle, revealed himself as a much more mysterious person than Van Agt was being regarded.

This affair is more than just a case of an unfortunate presentation. It is casting a shadow on the first 100 days. On Monday Lubbers attested his regret, but then, at the same time, he went on to make an excuse. He was led to make the unfortunate remark by the accusations about unethical behavior in Holland. His reaction to these not-so-true accusations appears to be very much irrational. There is much in the way of showing that Lubbers' technocratic intelligence leaves him in the lurch when less tangible political matters are involved. He becomes erratic when questions of ethics are at stake, not only in the choice of words, but also in thinking. The verbal symptoms of this are strongly suggestive of the jargon of welfare workers and extraordinarily talented women hucksters. He lacks Van Agt's sense of direction, the political astuteness of Den Uyl; therefore he will never be uncle Joop, nor even our Dries. In privacy he labors on his quiet indispensability and a cabinet which is conspicuous for its inconspicuousness. "As for myself I do not have much need for presenting a political profile. The strength must come from the team..."

Lubbers regards one of the most important tasks of his cabinet to be: "the prevention of a lack of decision making." The first 100 days present a picture of Lubbers' ambition to see to it that his cabinet is not swept under the carpet of parliamentary history as insignificant dust. This toiler, this perspiring man, this solitary person will do everything in his power to escape that barren fate. Lubbers was once described as a person who builds bridges that do not exist, but over which everybody goes over. The strength of the bridge depends only on the conjuration of its formulas. During the first 100 days the formulas have not yet made a clean breast of it on account of imperfection.

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LEFTIST PARTIES SEEK COMMON GROUND, ALTERNATIVE POLICIES

Amsterdam DE TIJD in Dutch 28 Jan 83 pp 8-9

[Article by Gerard Driehuis: "Dutch Left Closes the Ranks: 'Crying Out that Things Are Wrong is Nice, But What Is Our Message?'" passages enclosed in slantlines printed in italics]

[Text] Is the Lubbers cabinet finally driving the Dutch Left into one heap one hundred years after the death of Marx? The Left in Driebergen does evoke that impression, but amidst the battle songs and rhyming slogans the question arises: Does the Left have any joint ideas of substance about how it should be done? Max van den Berg as a representative of the right wing, the impending takeover of the bakery and the question: Are those Lubbersites really so much worse?

/"A woman needs a man like a fish needs a bicycle, and we need this government too like a fish needs a bicycle."/ Or: /"We are all going today to the Hague, to free the land from a rat plague. Get rid of those dirty Lubbersites!"/ The Lubbers government compared with such divergent--although in some circles obviously similar--items as "man" and a plague of rats.

It can hardly be anything else; it must indeed be the /many shapes of the Left/ speaking.

Last Saturday. The place: De Hoeksteen, the Amsterdam auditorium complex, like no other location in a position to turn the world depression in one day into a personal experience. But come on then, for the Left's answer to the economic crisis one ought to run several personal risks.

In attendance: envoys from just about everything on the Left. To start with, official representatives of the five leftist parties (no, the fifth is not the D'66 [Democrats '66], but the EVP [Evangelic People's Party]), of the FNV [Federation of Dutch Trade Unions], the women's movement, action groups, the student movement, and who and whatever else. The goal: to see what "the progressive camp should do in the opposition vis-a-vis the present cabinet policy."

Gap in the Market

Indeed a sensible initiative. There is without a doubt a gap in the political market. On the Saturday of the gathering, minister of WVC [Welfare, Public Health and Culture] Brinkman joked in NRC HANDELSBLAD that the cabinet members are apt to ask each other "who can still claim that there has been no strike on his account." After the remarks by Mrs Smit-Kroes that people who cannot pay for public transportation in that case must simply walk a few extra stops, and in view of the indeed noteworthy way in which the weakest shoulders are being given the heaviest loads to carry, Brinkman's little jokes are once again a fair indication of the atmosphere.

That atmosphere, that certainly energetic manner of governing, seems to offer plenty of room for a leftist alternative. The state of the economy may not be ideal, but it must be possible to deal somewhat justly with this setback. An alternative that does not ignore the economic facts, but can instead achieve something more positive with them. An alternative that does not base its goals on a utopia, a new heaven and new earth (chairman of the PSP [Pacifist Socialist Party] /Bran van der Lek/: "We must not stop with wage protection! We must get rid of the entire wage system!"), but that achieves the goal of truly offering something to vote on, in /this/ century--perhaps at the next elections. Thus a pooling of the Left.

The initiative for this pooling effort lies with /"the Driebergen Dialogue."/ Indeed, Driebergen is near Odijk and, in addition, /Piet Reckman/ is one of the driving forces, in addition to the people from the PvdA [Labor Party], the PPR [Political Radical Party], the CPN [Communist Party of the Netherlands], the PSP and the labor union movement (specifically, /Cees Shelling/). The impetus for that initiative came at a bad moment. The PvdA had just been able to maneuver itself into the second Van Agt cabinet (thanks to a /dirty Lubbersite/, incidentally, who outsmarted even Van Agt in his eagerness to get the PvdA into the cabinet), and the socialists were not as interested in leftist alternatives.

Since the split in the Van Agt-Den Uyl cabinet, the situation is different. At first waveringly so, since no one knew whether an agreement with the CDA [Christian Democratic Appeal Party] could be reached after the elections. But since the formation of the Lubbers cabinet, the PvdA has again been moving to the left. Certainly outside the parliamentary group there are dreams of a leftist majority. And why not?

Dissatisfied

Unfortunately, there are numerous reasons why not. The most obvious is that a leftist alternative does not at all exist. The applause at Saturday's gathering of the leftist alternative was perhaps more rousing than that at a CDA congress marking the appearance of Dries van Agt, but doubt was not less for it. The /progressive forces/ have their dissatisfaction in common, but that is about the extent of it. The Left would like very much to be unified and to gain control--so much was evident Saturday--but the matter of what happens then is something about which only supporters--preferably supporters with a lot of fantasy--have something to say.

"We will agree on the division of the cake if we agree at the same time to be fairly confident about our takeover of the bakery," CPN chairman /Elli Izeboud/ said menacingly. And there is little reason to assume that the various leftist groups even wish to produce the same baked goods. There is a wide gap between the economy of sufficiency of the EVP, the socialized society of the PSP, the conquered bakery of the CPN, the green economy of the PPR and the ideas of the PvdA. But such discussions did not take place. Unanimity against the demolition politics of the Lubbersites. Applause.

Shorter Work Week

An example: the economic problems and, most of all, unemployment. In spite of that /frightful/ rightist cabinet, the labor movement has after years of struggle succeeded in reaching an agreement about a shortening of the work week, now that employers have finally abandoned their rigid position.

In many branches of industry an understanding can be reached over the financing of the shorter week. The shorter week certainly offers something to employers, in the form of a rise in productivity and a reduction in sick leave, but it is also costly. Therefore, the employees should share the costs. However, if one consults "the leftist alternative," one hears that such an idea is wrong. "We have given in so much already, we simply cannot go and pay for a shorter work week?" Applause. The announcement that this position will be discussed next week by representatives of employees from a number of industries in order to "stand together against this policy of giving in for the division of labor."

Louder applause. Next to us a member of parliament from the PvdA is clapping loudly. A little further on, the parliamentary leader of a party even more to the left is applauding. If the Left has for once emerged victorious in forcing a shorter work week, the victory is then by acclamation declared a /defeat/ by that same Left. /Frans Drabbe/, wage expert in the FNV: "Something can be accomplished only if the FNV is united and if the progressive groupings are united." He seemed to be sad as he said it last Saturday; there is no question of either case.

Support of Capitalism

So it continues. "The Right thinks only of the free market economy, a little support of capitalism, that is what the state is good for, but nothing further," /Wim Herstel/, chairman of the EVP affirms. It sounds fine, but does that too lead somewhere in a state in which government controls a preponderant part--more than 60 percent--of the economy? In which three million people receive income from the state through benefits, over two million are on the government payroll and only two-fifths of the total number are maintained by that objectionable capitalism? The income of the /majority/ of people a "little support of capitalism"?

"I had hoped to hear something here about how /they/ think it should be. But they simply came here to clap for each other and to pat each other on the back for how wonderful they all are," a member of the unemployed

target group says, during the appearance of the umpteenth critical ensemble. "I had hoped to hear more or less concretely how they would do it...." We hoped so too.

Two and One-Half Guilder Copayment

Another example is civil disobedience. The leftist parties do not have a majority. Leaders in the PvdA such as Den Uyl and Van der Louw have made it clear that the infringement of /rightist/ laws in the long run opens the door to the infringement of /leftist/ laws, and that such a thing is thus wrong.

We were curious about the outlooks on this issue of the various parties within the leftist alternative. The way in which Toussaint, chairman of the Azivo insurance company, was received served as an indication of the general feeling. Toussaint, chairman of the board of the health insurance company in The Hague that, contrary to a majority in the Chamber, does not wish to collect a 2 and 1/2 guilder copayment on medicine, was never a highly acclaimed member of the Chamber from the PvdA. Now he is the hero of the day. Not that there is not much to be said about the indignation surrounding this curious copayment, but /"the 2 and 1/2 guilder coin as a symbol of the struggle against the social dependency of large groups of people because of this policy of retrenchment"/--we don't know.

The fact that the assembled Left is not as interested in the legality of nonparliamentary action, however, becomes obvious. Cees Schelling of the FNV: "I'm not as curious about the issue of whether something lies inside or outside the law. Violence, that's somewhat different, but what is wrong with struggling against something that has been decided by parliament?"

PSP chairman /Bram van der Lek/ wants to have nothing to do with what /they/ consider a constitutional state. "The capitalist system has entered a phase of complete unmasking," he affirms. "In this horrible crisis policy, /nothing less than our survival/ is at stake.

Support of the Masses

We are surviving in spite of the crisis policy, and then we hear from PvdA chairman /Max van den Berg/, who in this company clearly represents the right wing, that his party is counting on the support of the masses. "Against the harshness of the rightist rule, we must draw together with the societal movement /outside parliament/. If we do not do this, people will turn away from politics or will stand up for only themselves. I am proud that we in these five parties can now work together in spite of our difference." But even he cannot make clear to us what of substance the leftist alternative would be able to start out on.

PPR chairman /Wim de Boer/: "The risk is that we might get bogged down in protesting and staring at our navels. Naturally, it's nice to cry out that things are wrong, but that is hardly enough. The challenge that we face is to /demonstrate/ that we have an alternative.

"We should ask ourselves a few questions. It's easy enough to say that the population condemns the cabinet, but why then does our message not come across? If our ideas are so good for the weak and for youth, why don't these people vote for us, why don't their parents vote for us then? It may be true that 60 percent of the people share our position on atomic weapons, but why do we fail to get those people behind us? We must ask ourselves what is the matter with our message and whether we have perhaps failed to convey that message."

A breathing spell. Just like that, the chairman of the PPR holds open the possibility that an alternative from the Left does not exist and, at any rate that there is no majority in the population for it, and that the Left thus has something to prove. That such an alternative certainly ought to be represented in the current policy, and thus ought to be developed. He wants an alliance among the Left, in platform as well as through a future connection in candidate lists (he does not exclude the D'66 from either possibility, thus no applause), in order to leave it up to the voters whether the ideas of the Left are so much better than those of the Lubbersites.

The only fear is that such an alternative ultimately does not seem to fit on one banner.

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CDS' MOREIRA: 'REBIRTH' OF FORMER POLITICAL LEADER

Profile Outlined

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 pp 20, 21

[Article by Jose Silva Pinto]

[Excerpts] At 60, Adriano Moreira seems to be attempting a "rebirth" as a man and as a politician. His wife, Monica, is expecting the birth of their fifth child and he has just become the first well known person of the Salazar regime to climb to a top position in the CDS [Social Democratic Center Party], after only having been a member since March 1981. He became a member at that time after a long "courtship" by Freitas do Amaral.

"I would like to visit Angola, Mozambique or, above all, Cabo Verde again before I die." In the study of his Restela villa, where he spends most of his time surrounded by his approximately 15,000 books, Adriano Jose Alves Moreira does not hide his life's passion: Africa.

Who, in fact, is this person who is responsible for formulating the policies of a party which positions itself in the center but which until now has not been able to get away from rightwing practices?

The Influence of Sebastiao de Resende

Adriano Moreira claims to be essentially a follower of the church's social doctrine: the John Paul II version of this doctrine which considers the world to be a "workbench." He confesses to having been influenced by "the good Pope John XXIII" and by the late bishop of Beira, D. Sebastiao Soares de Resende; one of the most clearheaded heralders of the new roads to Africa.

Persecuted by Marcelo Caetano

According to some, Adriano Moreira is said to have been a strong opponent [of the regime] or even a "leftist." There are even those who say that he was close to the Communist Party in his youth. The former minister denies having participated in any political activity before 1961 and affirms that his "leftism" was that of the "great declarations of the established democracies."

He stresses that the voices he listened to were those of Churchill, Marshall, Ortega y Gasset or, in Portugal, Azeredo Perdigao, Palma Carlos, Teixeira Ribeiro, or Ferrer Correia and, above all, Rocha Saraiva; the teacher he most preferred.

Adriano Moreira gained notoriety with the public as minister for the overseas possessions and also as a university professor; particularly when he was director and promoter of the Superior Institute for Social Sciences and Overseas Policy (now the Superior Institute for Social and Political Sciences).

Adriano Moreira insists on making clear that he got his position as university professor in 1954 after passing competitive examinations and not through favoritism. Marcelo Caetano served as the devil's advocate at these examinations. The paper presented by Moreira (entitled "The Penal Problem in the Overseas Possessions") received the Abilio Lopes do Rego Award from the Academy of Sciences.

He obtained his doctorate (cum laude) in international relations from the University of Madrid. His doctoral dissertation, "Europe in the Making," is a 280 page volume in which the author concludes "the Iberian Peninsula seems to be in a position to stimulate the creation of a South Atlantic space that could independently serve the Atlantic scheme and prevent finlandization from occurring."

"If Cleopatra's Nose..."

Adriano Moreira was purged after the 25 April revolution. In January 1975 he was asked to respond to a questionnaire on various accusations. He replied to all of them, at times firmly but always gracefully. His statements are compiled in the booklet "National Purge" published in 1976. After being purged he appealed to the Council of the Revolution [CR] which later decided to rescind the measures taken against him. The CR considered in its decision that the appellant had had a bold plan, for its time, to confront the colonial problems. If this plan had been followed, perhaps the nation could have avoided some undesired consequences.

In March 1975, Adriano Moreira accepted an invitation from the Catholic University of Rio de Janeiro and went to Brazil to teach under contract for two years. He ended up staying an extra semester. Once his dismissal had been rescinded he decided to return. "I was very homesick and I was not making enough money to come to Portugal for a vacation with my large family..." he says.

Support Surprises Lucas Pires?

Adriano Moreira, a practicing catholic who likes to assume the role of interpreter of the church's social doctrine (as expressed by the present Pope), accepted to become an independent candidate for deputy in the AD [Democratic Alliance] ticket in the 1980 legislative elections. He

was elected and became a member of the democratic parliament. The following year he took another step and accepted the invitation Freitas do Amaral had been extending to him since 1975 to become a member of the CDS, among whose members he sat with in parliament. From that moment on he climbed rapidly in the CDS.

The more "open" CDS members admit that Adriano Moreira's speech smacks of "the old days" but they stress that there are also signs of "social concern" in it.

It remains to be seen up to what point his desire to step in will not put a stop to Lucas Pires' plans (classified by some as daring) to renew the party. There are those who say the new chairman of the CDS's political committee would have preferred that Adriano Moreira had been made chairman of the congress. Adriano Moreira's last minute support must have been surprising to the new executive "boss" of the CDS. It is true that some people who were asked to join the party to help in its renewal prefer to wait and see...

"A Simple Man"

The rescission of the purge measures taken against him allowed him to return to "his" institute and teach. He teaches political science and presides over the school's faculty council. He is also a professor at the Superior Naval War Institute, where he was reinstated as a member of the faculty, and he lectures at the Air Force Superior Institute. He is also a consultant. He says that these are his sources of revenue.

According to those who know him well, Adriano Moreira is a "simple man" and his speech pleases the people from the provinces. He is from Grijo de Macedo de Cavaleiros in Tras-os-Montes. He likes to go there frequently to see his father, a former assistant chief of police for the port of Lisbon who, at 84, still tills what he refers to as a "2 hectar latifundium" by himself.

Adriano Moreira lived most of his life in Campolide. It is in Campolide's cafes that he likes to get away from it all. Sometimes he goes to read and write, a habit, he says, from his student days. He lived in the house that belonged to Bulhao Pato [Portuguese poet] and only moved to the villa in Restelo, where he now lives, when someone wanted to buy a small building for demolition. "It was an exchange," he explains.

Adriano Moreira married very late in life with an Irish lady. They have two boys and two girls between the ages of 6 and 13 and the couple is expecting the birth of a fifth child soon. "It will be a boy," predicts the father.

Policies Advocated

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 pp 20, 21

[Interview with CDS' Adriano Moreira by J.s.p.: date and place not specified]

[Text] "The CDS must be a popular party, it must proceed directly to the factories and fields," said Adriano Moreira in an interview with O JORNAL. This interview was in reference to his recent election as president of the national council of the Portuguese party that claims to be christian democratic but which has not been able to erase its marked rightwing image. Here are excerpts from the conversation I had with the first great figure of the former regime to obtain a high-level position in an important political party.

[Question] What is your point of view toward the current political regime?

[Answer] My impression is that we have not been able to establish it yet. Since the constitutional revision, I believe I perceive that the regime is now in a new crisis. My decision to participate at this time corresponds with a belief that this phase must be rationally surpassed so that the country is not held back while it waits for the constitutional laws to pass from the printed page into real life.

[Question] You like to call yourself anticommunist. How is this anti-communism expressed?

[Answer] Classifying ideologies as either Right or Left has no meaning any more; these are classifications of the last century. The division now is between liberalism and statism. The communists, particularly the PCP [Portuguese Communist Party], represent the most totalitarian form of statism the world knows. I think they are responsible for the condemnable decolonization process and they are in large part responsible for the civil instability in Portugal which has not allowed the regime to become stable.

[Question] And what was the former regime: liberal or statist?

[Answer] Neither one nor the other. The former regime was inspired by social Catholicism, the most conservative form of the Church's social doctrine. It was a very authoritarian regime but I believe—and I presume it is also Raymond Aron's opinion—it is wrong to classify it among the fascisms.

[Question] Parts of the extreme Right which claim to follow your teachings frequently use your name...

[Answer] Among those who use my name are the same interest groups who indicted my labor law from Africa as being socialistic (perhaps because the International Labor Organization considered it to be the most advanced for the period) and are now trying to wash their hands of their past.

No one can be free of mistreatment, but placing labels is for those who are more preoccupied with self-interests than national ones. Those who are above all interested in the nation's interests have better things to do...

[Question] Among the supporters of a CDS renewal, there are those who fear that as president of the party's national committee [sic] you will cut off Lucal Pires in his declared intention to march toward the center...

[Answer] It is an unjustified fear. I said at the congress the CDS should feel proud to have produced a generation of new leaders to whom it now hands over responsibility for the party's political leadership. The obligation of the older ones is to put their experience at the disposal of the younger ones' creativity. That is my intention.

[Question] How will the responsibilities be split?

[Answer] As president of the party's national council, it is my responsibility to represent the CDS in matters of great doctrinal principles and strategy. Dr Lucas Pires' responsibility is to direct the party's policies. He is the one who is responsible for relations with official bodies and other parties at the national and international level.

[Question] In your view, what great principles should the CDS follow?

[Answer] They are the principles of the church's social doctrine as expressed by John Paul II. The CDS should be a popular party, it must proceed directly to the factories and fields. As the present Pope says, the world is a workbench. The CDS must put this idea into practice. It must fight statism and reinvigorate private enterprise.

It must fight for keeping political power independent of economic power and also independent of any group trying to create social disorder. It must re-establish Portugal's international credibility. It must remind people that Portugal is poor and it is necessary to work more and spend less. It must also remind people that without clearly reinvigorating the productive apparatus we cannot set to rights the situation we find ourselves in. This situation jeopardizes the nation's very viability.

[Question] It is known that you have cordial relations with the president of the republic, which is not the line that was followed by the politicians who until recently led the party. How do you explain this position?

[Answer] My relations with the president of the republic are based on principles I wish all Portuguese would adopt with one another...It is a civilized relationship based on the idea that it is essential for institutional responsibility and solidarity to be established. It is the lack of this responsibility and solidarity that is the basis for the regime's crisis and it can be costly to the Portuguese.

PS MINORITY FACTION AFFIRMS DEVOTION TO PARTY

Lisbon TEMPO in Portuguese 10 Feb 83 pp 17-18

[Interview with Socialist Deputy Joao Lima; date and place not specified]

[Excerpts] "The leadership knows perfectly well that we did not establish an organized group within the PS [Socialist Party] or, in other words, a party within the party. The bylaws expressly prohibit it, and we ourselves reject it." That is what TEMPO was told by Joao Lima, Socialist deputy and former member of the party secretariat, concerning the meeting in Coimbra in which 1,200 members from every federation in the country took part. "Contrary to what certain sectors have suggested, that meeting was not aimed at dividing the party or putting pressure on the PS leadership." According to Joao Lima, there was simply a discussion of the country's political situation and the party's internal life and an analysis of the activity of Socialist members who, at the last congress, voted for the minority motion "A Strong Party--a Clear Plan."

TEMPO: Dr Joao Lima, some people are already describing the meeting in Coimbra as a "minicongress" of the former secretariat. Do you agree with that description?

Joao Lima: Not at all! It could only be called that sarcastically. In the first place, I must tell you that the meeting in Coimbra was announced quite far in advance, and above all, we informed the party leadership. At the meeting, we discussed the country's political situation and the party's internal life and analyzed the activity of Socialist members who, at the last congress, voted for the minority motion.

Contrary to what certain sectors have suggested, it was not a meeting aimed at dividing the party, and that is proven by the silence on the part of the PS leadership.

TEMPO: But is that the only possible interpretation of its silence? It must not be forgotten that the meeting on 5 February was important, if only because over 1,000 Socialists took part in it.

Joao Lima: In fact, the number of members taking part exceeded our expectations, and that in itself was certainly a pleasant surprise for us.

Our party's leadership did not comment on the holding of that meeting because, in the first place, it knows that it was not a secret meeting, and because, in the second place, the meeting permitted the exchange of impressions among members whose positions within the party are identical. It is clear that the PS leadership is one thing and that the position of a few members with a more radical view of these matters is something else.

The leadership knows perfectly well that we did not establish an organized group within the PS or, in other words, a party within the party. The bylaws expressly prohibit it, and we ourselves reject it.

TEMPO: Are you against organized groups within your party only because the bylaws expressly prohibit them?

Joao Lima: Yes, obviously. But if the congress changed those bylaws tomorrow, I would have no choice except to accept that principle.

TEMPO: There are those who regard that meeting as a form of pressure on the PS leadership at a time when candidates for deputy are being chosen. Do you agree?

Joao Lima: I don't think so. The meeting was scheduled back when no one knew anything even about the dissolution of the Assembly of the Republic, let alone the date of the elections.

"PS Does Not Exist To Pursue Nonsocialist Policy"

TEMPO: At the moment, will the PS be capable of generating the social majority you have referred to? Are the internal conditions right for it?

Joao Lima: The PS leadership has a strict obligation to listen to all members who submit specific proposals in that direction. It is from the combination of all those proposals that it will be possible to reach a positive consensus and come up with a specific form of political activity.

Even if one has a critical attitude toward the current leadership, however, one must recognize the great dynamics of a political nature that the party has, as was proven, incidentally, in the local elections. Moreover, anyone who talks with people feels that there is a belief today in a qualitative and quantitative leap by the PS in terms of prestige, for one thing, and, for another, in the expansion of its political influence. This leads one to believe that in the upcoming elections--considering the collapse of the AD [Democratic Alliance] and the fact that the parties constituting the AD have gone their own ways--the PS will be in an objective position not only to increase its share of the vote but perhaps even to win an absolute majority. In any case, that goal will not be achieved by a miracle. In the first place, we will have to present ourselves to the voters through candidates they believe in. In the second place, we will have to present a definite political, economic, and social program. In the third place, we will have to conduct an election campaign free of demagoguery

and promises and one that will make the Portuguese people aware of the need for very austere government. Lastly, we cannot lose sight of our political plan. In other words, the PS cannot present itself to the voters as a nonsocialist party. It must make it very clear, despite a few necessary measures for ensuring a degree of stabilization in the regime, that it has a plan for democratic socialism to be developed and then implemented at the proper time (not in the 21st century, as Dr Jaime Gama said). The PS does not exist to pursue a nonsocialist policy!

TEMPO: In your opinion, will the changes to the program and the election manifesto be enough to equip the PS with the necessary tools for its future strategy?

Joao Lima: No, I don't think so. The PS Declaration of Principles was written in the 1960's, and doctrines obviously change. In my opinion, moreover, many of the things now included are not in keeping with the democratic socialism of the future, whose evolution must be related directly to mankind's yearnings.

By that, I mean that the changes to the Declaration of Principles are not aimed at taking away the party's socialist face. The PS must therefore conform, through the Declaration of Principles, to the new notions of democratic socialism, which naturally are different than those in force one or two decades ago. So the philosophy of democratic socialism must be adapted to the realities, structures, and cultural yearnings of our people. And that is no reason for embarrassment at all; it does not mean denaturing the party. On the contrary, it means making the PS evolutionary.

Our position is that of a PS member, and although we have our own ideas, we scrupulously observe party discipline, as we demonstrated in the Assembly of the Republic during the voting on the constitutional revision and the Law on National Defense.

I must repeat that we are not a party within the party and that we have remained in the PS despite the invitations we received to leave it, specifically during the first half of 1982.

"Invitations" From Mario Soares

TEMPO: Invitations from whom?

Joao Lima: Those invitations--it must be said--came from leaders of the current majority. I recall that Dr Mario Soares himself even told us: if you do not agree with the political leadership--with the party's strategy--and if you feel uncomfortable here, well, the door is open!

But Dr Mario Soares (who perhaps said that just to get it off his chest) knows very well that many of us are among the founders of the PS!

TEMPO: At the moment, what questions would the former secretariat like to put to the PS majority?

Joao Lima: Well, we will certainly not ask who is going to become a deputy or enter the government. What is important is to know the kind of alliances that will be formed, what kind of social agreement there will be, what kind of "modus vivendi" will exist within the party, how its internal democracy will be developed, and what kind of rights and opportunities for action the members of the minority will have.

TEMPO: Dr Jaime Gama promised the Portuguese that the PS would go into the elections with a program and a prime minister. Do you feel that Dr Almeida Santos has the necessary qualities for occupying that post?

Joao Lima: As is publicly recognized, Dr Almeida Santos is one of the most important figures in the PS, not only because he has great political ability and a great capacity for work, but also because of the prestige he enjoys among groups both inside and outside the PS.

No one will be able to forget him when the time comes to make the decision. But it is up to the party's national organizations to decide that issue at the proper time. It is not up to me or Dr Jaime Gama to decide the matter.

TEMPO: But you must have a personal opinion.

Joao Lima: Dr Almeida Santos has the political ability and the absolutely necessary qualities for being an effective and great prime minister.

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PS' ALMEIDA SANTOS: BACKGROUND OF POSSIBLE PRIME MINISTER

Lisbon TEMPO in Portuguese 10 Feb 83 p 16

[Article by Carlos Pires and Ribeiro Ferreira]

[Text] Almeida Santos, 57, a native of Beira Province (he was born in Seia), is a lawyer (with a licentiate from Coimbra University) and a writer (with two books published) and was a minister in seven governments (five provisional and two constitutional). He is a national leader of the PS [Socialist Party] and one of the principal architects of the constitutional revision. With the elections a little over 2 months away, a broad national consensus (both inside and outside his party) sees him as the prime minister of the ninth constitutional government, which the PS will form if it wins the April elections. An ally of Mario Soares through thick and thin, Almeida Santos is currently awaiting the final word from the Socialist leader. Whether or not he becomes the prime minister in the third PS cabinet to be formed in 9 years of democracy will depend above all on the long-term strategy chosen by Mario Soares. Even if the PS wins an absolute majority, it will be unthinkable for the Socialist secretary general to jeopardize his candidacy for president of the republic in 1985.

In the complicated game of party life--where the political influence and ambitions of the leaders, whether in the majority or the minority, move at a fast pace--Almeida Santos emerges naturally as sitting in the right spot: the post of prime minister.

As a student in Coimbra, where he was enthusiastic for fados and sports, he began his political activity by supporting Adm Quintao Meireles' candidacy for president of the republic (1951). Once in Lourenco Marques, where he stayed until 1974, Almeida Santos took part in Gen Humberto Delgado's election campaign and, together with Jose Craveirinha and Eduardo Mondlane, formed the opposition nucleus supporting the liberation struggles that had begun in Angola in 1961.

While still in Mozambique, he was a candidate in the 1969 elections (by this time he supported Caetano), but was removed from the ballot because, according to the authorities of the time, he could not prove Portuguese citizenship.

With the events of 25 April 1974, Almeida Santos was to begin a new phase in his political career. Invited to join the first provisional government, he was named minister of interterritorial coordination in the Palma Carlos cabinet.

A rich man and an eminent lawyer, he was to play a decisive role in decolonization. Years later, speculation concerning his fortune was to be used by certain sectors in an attempt to harm his image. On 16 September 1980, in the face of a new wave of attacks, he told a weekly publication that "the easy way to ascertain the truth is to ask for the records, which I am willing to pay for, concerning any transactions--which, as you know, must be recorded--involving my real estate holdings, business holdings, stocks, and automobiles before and after 25 April 1974."

An attorney for important figures in international and national finance (currently, for example, he represents Manuel Teles and the Estoril-Sol Company, which has the gambling concession in Estoril), Almeida Santos is also accused of taking advantage of his position in seven governments (five provisional and two constitutional) to place men he trusts in key posts in the administration. Almeida Santos answers his inquisitors by saying that he could not refuse jobs to hundreds of friends and working companions of many years' standing who had been ousted from Mozambique.

In his first interview after 25 April 1974, he described Spínola in this straightforward manner: "He was the readymade leader in the isolation of his home in Colombey-les-deux-Eglises (pardon me, I mean Lisbon)."

On 11 July 1974, when Palma Carlos resigned, he was relieved of his post. But he returned to the same ministry when Vasco Gonçalves formed the second provisional government on the 17th of the same month.

He survived Spínola's fall and the events of 11 March, remaining at the head of the Ministry of Interterritorial Coordination in the third and fourth provisional governments under Vasco Gonçalves.

Rejects MFA Measure

On 16 July 1975, however, he wrote a letter to Costa Gomes resigning from the government. In it he said: "I do so knowing that not because of but in connection with the current cabinet crisis, this is my duty of loyalty to myself, to you, to the prime minister, and to the MFA [Armed Forces Movement].... For more than a quarter of a century, I have regarded myself as an independent socialist, and my struggle for the emancipation of Africa dates from my first contact with that continent.... Today I accept solutions and principles that I could have accepted on 25 April 1974 only with a total lack of sincerity. But I definitely do not go along with the step taken by the MFA as measured by the most recent deliberations by the assembly of its delegates."

On 11 September 1975, with the fall of Vasco Gonçalves in Tancos and the formation of the sixth government under Pinheiro de Azevedo, Almeida Santos returned to power, this time as minister of mass media. Sieges of Foz Palace, the events of 25 November, the suspension of workers at the RTP [Portuguese Radio-Television System] and the EN [National Radio], and changes in the management councils of the nationalized media decisively marked his term in that ministry.

With the Socialist victory in April 1976, the election of Ramalho Eanes as president of the republic in June of that year, and the formation of the minority government by Mario Soares, Almeida Santos began his career at the side of the Socialist secretary general by becoming minister of justice.

Joining the PS

He was an independent in the beginning, but he joined the PS shortly after that. "My struggle and my ideology always meant that I was close to the current leaders of the PS, specifically Mario Soares and Salgado Zenha. That identity goes back a long way, like the reputation of Constantino Brandy."

The fall of the Socialist government in December 1977 gave rise, following strenuous efforts, to the second constitutional government, which was based on the alliance between the PS and the CDS [Social Democratic Center Party]. But Almeida Santos came back as minister of justice.

Assaulted in the Azores

In April 1978, during a trip for the party to Sao Miguel Island in the Azores, he was assaulted and forced to leave the Azores by returnees [from Africa] and supporters of the FLA (Azorean Liberation Front). While a patient at Santa Maria Hospital, he declared: "My injuries were not serious, but they were spectacular, because I was bleeding quite a lot from the head. I am now going to think about my injuries, which in my opinion also provide a good topic for reflection by the organs of sovereignty."

The end of the PS-CDS experiment opened the door to conflict between Soares and Eanes. Except for brief intervals, that struggle has characterized political life ever since. Then as now, Almeida Santos was at the Socialist secretary general's side to "theorize" concerning the reasons for the "grievance" against the attitudes in Belem. "The president of the republic cannot dismiss the prime minister or the government," Almeida Santos said in July 1978. "Democracy is not possible without political parties, much less in opposition to them," was that Socialist leader's response to the first attempts to increase presidential power, which were headed by those who are now looking--elsewhere--for the leader that Eanes would not (or could not) be in 1978 and 1979.

Socialist Leader in 1979

Removed from power, the PS and Almeida Santos returned to party work. At the Third PS Congress in March 1979, Almeida Santos was elected to the National Committee as the 48th name on the single list presented by Mario Soares. He soon made a name for himself as one of the Socialist leader's most important supporters in the election battles of 1979 and 1980. After the defeat of the FRS in those elections, Almeida Santos played a decisive role in its dissolution, although he said in July 1981--4 months removed from its formal death--that "the FRS was certainly sick, but not mortally wounded."

Unconditional Supporter in 1981

The process of reelecting Ramalho Eanes and the straightforward attitude adopted by Mario Soares found in Almeida Santos an attentive spectator and discreet supporter. But during the preparations for the fourth congress, the silence suddenly gave way to debate and the declaration of unreserved support for Soares in the "war" that Soares was carrying on in the meantime with the secretariat of the time. "There is no one to replace Mario Soares in the party at this time," he declared peremptorily in February 1981. He emphasized: "I do not cultivate personalities, and I know my comrade Mario Soares too well not to be aware of his shortcomings. But when I judge him, I judge him by the sum of his shortcomings and virtues, his errors and correct decisions, his past and present.... I cannot imagine the PS at the moment without his leadership."

With the motion supported by Soares having passed, Almeida Santos joined the Standing Committee, where he remains today. One Socialist leader told us: "Nothing is done without him, much less against his will, in the party." A man of dialogue both inside and outside his party (but not one to compromise), Almeida Santos was in charge--in the opinion of Joao Lima of the former secretariat--of the entire process of constitutional revision. In September 1981, 1 year before the conclusion of that process, he told TEMPO that "an agreement between the PS and the AD [Democratic Alliance] to make constitutional revision viable is possible." His prophecy came true, but not before he was forced to take over as chairman of the Socialist parliamentary group in the aftermath of Salgado Zenha's "compulsive" departure.

Now, on the eve of elections and following the victory in the local elections, Almeida Santos seems (definitely?) to be the leading candidate for prime minister in the ninth constitutional (and third Socialist) government.

May it please Mario Soares.

11798

CSO: 3542/53

POLITICAL

PORTUGAL

PROSPECTIVE SOCIALIST DEPUTIES AGREE TO PLEDGE

Lisbon DIARIO DE NOTICIAS in Portuguese 11 Mar 83 p 3

[Excerpt] Prospective Socialist Party deputies promised to respect and obey decisions emanating from party organs, in a pledge published yesterday in ACCAO SOCIALISTA.

Socialist deputies specifically promised "not to advocate in their parliamentary speeches any points of view that would conflict with the program and policy of the Socialist Party."

The 12-point pledge also determines that the deputies "will not subscribe to any proposal, motion, resolution or law without the previous agreement of the parliamentary group directorate."

Future PS deputies also promised to participate in a timely and assiduous manner in the meetings of the socialist parliamentary group, the commissions and the plenum of the National Assembly and to remain at such meetings during the entire period of their deliberations, especially during voting procedures.

Socialist parliamentarians also promised "to support policies of any governments with socialist participation, but without relinquishing the right to constructive criticism."

CSG: 3542/86

PIRES SAYS CDS WILL 'TAKE OVER' DEMOCRATIC ALLIANCE

Lisbon O JORNAL in Portuguese 25 Feb-3 Mar 83 pp 2-4

[Interview with Minister of Culture and Scientific Coordination Francisco Lucas Pires by Jose Carlos de Vasconcelos; date and place not given]

[Text] "I believe that the occupation of the liberal area by the CDS [Social Democratic Center Party] is legitimate," Lucas Pires told O JORNAL during the first major interview he has granted since the resounding victory scored in the centrists' congress. Revealing that he is still a defender of the AD [Democratic Alliance], and stating that the CDS will "take it over," if it should cease to exist, the present minister of culture proposes party renewal, dialogue and institutional solidarity, as well as respect for the autonomy of the social forces. On the subject of his relations with Adriano Moreira, he said that they will be "two bishops of different dioceses, although within the same church." These are the basic portions of the interview conducted by Jose Carlos de Vasconcelos.

O JORNAL: The congress represented a triumph. And what will the CDS be like now?

Lucas Pires: From the point of view of attitude, I think that the CDS will seek above all to be a more popular party. It is obvious that the official language of the CDS will change, although this will not affect the doctrinary principles and the roots of the party.

The CDS is a party of principles and not just programs. And the principles are of Christian democratic inspiration. But the CDS, in its new form, must retain its identity.

[Question] In practice, what influence will your triumph have on the composition of the slates for the next elections?

[Answer] Certainly the slates will not be the same. But they are governed by regulations which will be fully respected. Usually, party leaders have the authority to name those who will head the list in the various electoral districts. In this connection there will obviously be some changes. But many of the exponents of the defeated faction will be invited to participate.

[Question] You say "many." Does this mean that some of these exponents will be excluded?

[Answer] Not all will be invited to participate, purely and simply because this is impossible in terms of the regulations, rather than on a personal basis. This will be done, then, without any kind of discriminatory intent, such as to defend and safeguard the unity of the CDS. We would say that the fact that a new rhythm has been introduced into the conduct of the CDS does not mean that anyone will be left behind except if he fails to adopt this rhythm.

CDS "Takeover" of the AD

[Question] In your two speeches to the congress, one of the things which emerged most clearly was your conviction that your candidacy is designed to reorganize, to bring something new, to the party, while the other candidacy would be administrative, bureaucratic. Is this what you mean when you speak now of a new "rhythm?"

[Answer] Yes, to some extent. I think that what will happen in the CDS now has something to do with what is troubling Portuguese society. To my view, the end of a cycle has begun. We would say that to date there was a cycle marked by favorable expectations, by excessive optimism in Portuguese society. What is beginning now is a period characterized by the continuation of the crisis and the awareness that it is not temporary, but profound, and that it must be combated in organized fashion.

On the other hand, there is a change in the juridical framework with the resolution of the constitutional problem. At this point, it makes no sense, for example, for the AD to represent itself as a force which will combat the system, because it was the AD which created the system. The problem now is organizing the system, not opposing it. Very simply, the organization of the system can be undertaken either on more liberal or on more socializing terms. The idea of the CDS, therefore, is to take over the AD, which does not want to combat the system now, but wants to liberalize it further. Basically, this is the formula encompassed by the philosophy I defend.

[Question] We will get to this aspect. As to the meaning of the victory, some have attributed it to you, while others say that it was also or mainly a triumph for Dr Adriano Moreira. How would you comment on this second view?

[Answer] It is obvious that the credit for the victory goes to the party. I do not think it belongs exclusively to any individual. The party has become a collective project jointly assumed.

[Question] But who "predominates?"

[Answer] I do not believe that one can make a quantitative assessment favoring anyone. Everyone is looking ahead, rather than to the side. There is a clear distribution of roles and each individual must assume that which is institutionally his.

Two Bishops...

[Question] But there has been considerable emphasis on the fact that the CDS would need a leader, and not someone older, such as the candidacy of Dr Luis Barbosa would mean. Who is the new leader of the CDS?

[Answer] I believe that Prof Adriano Moreira put things properly when he said that he regarded himself as a guarantor of principles, their promoter, and that basically the leadership of the party fell to the political commission, and in particular to its president, in this case himself. I believe moreover that the CDS can even gain ground due to the fact that there are leading individuals who fulfill and reflect relatively differentiated functions, provided that they work together on a joint line of action.

[Question] Adriano Moreira said that he would not be anyone's auxiliary "bishop."

[Answer] But there can be two bishops for different dioceses, although in the same church.

[Question] What about the position of Basilio Horta?

[Answer] Three CDS generations come together in this pact. Dr Basilio Horta's is the first CDS generation, the founding one; I represent the second, the hinge generation which emerged at the Oporto congress, while Dr Adriano Moreira represents the third. However, there is solidarity here among the three party generations, which means that the debate was not between the historical and the non-historical faction either, because as can be seen, this slate covers various CDS "histories."

Three Key Roles

[Question] And what is the basic element which brings these three generations, these three individuals, and probably these three not entirely coincidental visions together?

[Answer] I do not see why the visions could not converge. They have a common basis in the same congress, at the outset. These three may represent very valuable potential figures in the AD taken as a whole. I mean a broad AD, a force ranging from the right wing toward the center, occupying space which can potentially be expanded. We would say that even on the state level, these individuals may represent different callings--those of party leader, prime minister, and president of the republic.

[Question] Basilio as head of the party, Pires as prime minister, and Moreira as president.

[Answer] I would leave this to the judgment of the people. I only want to stress the complementary aspect.

Apart from this, the decision of the congress was forceful enough, among other things because it was won against another candidacy (which, by counterposition, consolidated it) for the maintenance of our unity, which covers a broader right wing than the CDS and a broader left wing than the CDS. And which, therefore, can lead to a broader party.

In my specific case, I believe that I have followed a path as a politician in Portuguese society which I would personally like to see the party follow, because I believe that this would represent a progressive method for its broadening, which could lead the party in the medium time range to increase its voting support. In the short run, I would rather say that the goal of the CDS is above all to recover what was lost in the interregnum between the resignation of Dr Freitas do Amaral and the fifth congress.

[Question] How would you define your political development since your student days, when you were known as a radical right-winger?

[Answer] This development has its unity. I have always defended a broad agreement among all the nonsocialist forces in Portuguese politics. Therefore, I voted against a CDS-PS [Socialist Party] alliance, and I have always defended the concept of unity of all the forces with liberal inclinations in Portuguese society. I believe that there has been a development from the style of my initial efforts to my present one. Initially, my style was harsh, because there were situations of confrontation, because there was a certain sense that the left wing had won power, and a certain sense of its hegemony, even armed hegemony, which was only clearly destroyed with the first AD victory.

This first triumph established balanced relations in the struggle of Portuguese society, and as of that time, I began to defend ideas having more to do with the defense of the country as a whole, of the national alliance of party forces, a concept which underlies what I say, particularly when I state that we cannot transfer the party struggle to the state level.

We cannot divide the state. We are divided in the parliament, on the level of conceptual struggle, on the level of the battle for solutions, but we must not be divided on the level of the struggle for what we share, which is today much more important than before, because our economic independence is more threatened. The problem today is not ideological debate, as it was in the days of the revolution, or discussion of the juridical issue of the constitution, as it was in the period of transition, but rather the discussion of the basic problems of defending the country and making it viable, within the framework of direct relation to its interests, and not on the basis of ideological banners.

[Question] In any case, when you opposed the PS-CDS alliance, you were regarded as more right-wing than the CDS. A voice opposed to Adelino Amaro da Costa. And it was only later than you began to pursue a different path.

[Answer] But all of these positions, from the initial ones to the present ones, fall within the framework of the great nonsocialist unity, a broad AD. When I confirmed my definitely right-wing posture when the process began, it was because at that point I thought it necessary to broaden the area in that direction. Later a problem or a need developed for broadening toward the left.

In any case, since my very first writings, I have always defended two things: the development of a great nonsocialist democratic bloc and institutional solidarity with the presidency of the republic.

CDS To Support Joint AD Slates

[Question] You have already mentioned a "nonsocialist bloc" several times. When you defend the survival of the AD today, are you not thinking of a future AD-PS bloc, in the certainty that the AD will not have an absolute majority, and presuming that the PS alone will not?

[Answer] Currently, that is not my position. I think there are many political positions which date back to before the AD. Specifically, there are many people in the PSD [Social Democratic Party] who say they want an alliance with the PS and the CDS simultaneously, which I do not think is the best solution. It could be terribly paralyzing and would not be suitable, for example, for the situation of a country in which what has happened now within the CDS might happen--a country which requires a certain dynamism and the manifestation of a clear political will.

Therefore, it is my belief that the AD can still be a dynamic force. And if these AD values cannot be expressed and assumed as a whole, let this be done through the CDS.

[Question] Specifically, what will you propose or undertake in an attempt to give the AD new life?

[Answer] The AD began by talking of reorganization of the state. I believe that this is a discussion which continues today to make good sense.

[Question] You mean that the AD did not do what it proposed?

[Answer] It accomplished something, the constitutional revision. It is simply that it is necessary now to give the concept of the authority of the democratic state a practical content. We must recognize that the concept of authority has not augmented. We would say that the AD let itself become soft, in a sense. Therefore the concept of decision and authority which was a part of the charisma and the effectiveness of the AD vanished. If joint slates were not possible...

[Question] Will you continue to promote joint slates?

[Answer] I and the CDS will promote them, as was approved in a resolution passed at the congress with only one abstention.

[Question] Will the joint slates retain the same percentages or relative balance between the CDS and the PSD?

[Answer] This would mean respect for the rules agreed upon earlier by the two parties. A new agreement might, however, revise the situation.

[Question] Do you believe that if Dr Freitas do Amaral had not resigned from the presidency of the party, the CDS (which he believed would grow while the PSD declined) would agree to such a thing?

[Answer] I believe that one cannot answer this question, because early elections might not have been held.

Who Will Govern After the Elections?

[Question] The resignation of Prof Freitas do Amaral represents a serious loss, at least potentially, to the CDS from an electoral point of view.

[Answer] Yes, but we can also presume, and this is perfectly logical, that the resignation of the prime minister also meant losses for the PSD. Although I do not say that the two losses are equal.

I admit that there was a certain rupture, even at the CDS congress. This is why I said not long ago that the problem was to recover these losses. In any case, this does not change the basic question and value of the defense of the AD, although with a modified alliance, or at least with what I would term something like a rider to the original agreement. Basically it is a question of a text which would make it possible to leave the past behind us and to bury earlier disputes. In any case, even if there are separate slates, I believe that the electoral campaign should not be pursued in terms of a clash between the parties in the AD. Even under these circumstances, the CDS will seek to take up the battle of the AD above all. It would therefore be a battle against the Socialist Party. This prospect is what is basic in the CDS line.

[Question] Could we say that there are no longer great hopes for joint slates, but that you will still wage a struggle for them?

[Answer] Precisely.

[Question] If the results in the next elections give the parties in the present AD a majority, which it seems clear they will not, and if the PS has no absolute majority, what do you believe the best government solution would be?

[Answer] Well, I believe that the PS would then have to seek the parliamentary support needed to survive, or there would be a central bloc government or one with a PS minority.

[Question] The PS has repeatedly said it would not participate on a minority basis and the president of the republic has said he would not accept such participation.

[Answer] Well after all, at that point I believe the party winning the most votes would have a major responsibility, along with the president of the republic himself, to find a believable majority solution. I even believe that the existence of a majority is a basic issue, because it is a matter of stability and of a majority in the democratic system itself. And also, each party in itself is too small to deal with the national problems.

[Question] But do you therefore think that a future government alliance of the PS, PSD and CDS, if the PS, and the PSD as well, should want one, would be possible or not?

[Answer] I think that this is an unlikely hypothesis for several reasons. First of all, as I said a while ago, this is a paralyzing hypothesis, and the CDS will not risk power for power's sake, while on the other hand, this would be an excessively broad majority, leaving the opposition to the communist party exclusively, which would be bad for the democratic regime itself.

[Question] You mean that in practice--and since the CDS certainly does not want a PS/PCP [Portuguese Communist Party] government--you would prefer a PS/PSD government, with the CDS clearly in the opposition?

[Answer] If the PSD were to reach an agreement with the PS, I believe this would be the necessary conclusion.

CDS in the Liberal Sector

[Question] According to your beliefs, the CDS defined itself in the congress as a party defending "liberal nationalism." Since I am not familiar with this political definition, I would like you to explain to me what "liberal nationalism" as such is.

[Answer] What it means seems to me rather simple, and I would describe it as follows. On the one hand, it is necessary for the system as a whole to have a more liberal logic, for the public enterprises themselves, for example, to be profitable, but on the other hand it is necessary that they also be aware of the national role they play. In other words, there are no nationalizations without nationalism, or let us say that nationalizations without nationalism do not work, but neither do they function without productivity and some market criteria.

Liberal nationalism has still another level--nationalism in the sense that the country places itself first, but also in the sense that this nationalism is not chauvinistic, but implies among other things the concept that the world must be brought closer to Portugal, and Portugal, in terms of its defense of its own independence, must become a center of international communications and relations. We would say that if we have expressed our independence historically by engaging in international relations and organizing extracontinental systems of power, we need today to do the same thing, but inside the country. Therefore, this liberal element is basically an emphasis on the interests of the country, but in an open, rather than a closed, manner.

[Question] Are you not referring to a mixture of political nationalism and economic liberalism?

[Answer] No. I understand your question, but it is not that alone. There is also liberalism in the cultural sense, something like the American model. In the United States, a liberal is a man who is intellectually open, even toward

center or center-left positions. Galbraith, for example, is regarded as a liberal. When I say liberal it is in the sense of looking toward the future, opening up space in Portuguese life.

[Question] Could it be that Adriano Moreira contributed the nationalism and Francisco Lucas Pires the liberalism to this concept?

[Answer] Well, that interpretation may make some sense, but it was not to that end that I developed the formula, however much I may have used it, and I described this political philosophy long before anyone could presume that this would be the solution within the CDS.

[Question] And does it not also mean that with this formula, which will naturally be used in the coming elections, the CDS will in a way seek to occupy not only a conservative space on the right but also the space of a liberal party, which in Portugal theoretically does not exist?

[Answer] I believe that the occupation of the liberal space by the CDS is legitimate. It is an effort which has long since been under way. At the Oporto congress, when I joined the CDS, there was a great deal of talk, in fact in the strategic proposal itself, of a Christian-democratic and liberal movement. This expression is one which is rather dear to me, and after all, it is nothing new to the CDS either.

Presidential and Institutional Issues

[Question] One of your key ideas at the congress had to do with the CDS in the center sector and moving toward it. When one speaks of moving toward the center it means one is coming from somewhere else--for example the right wing.

[Answer] The CDS is the parliamentary party situated farthest to the right. Its only way of expanding is toward the center. The logic of any living organization calls for expansion. I believe that the CDS needs to have solid supports, including in the right wing, but at the same time it must move toward the center, because only thus can it become a party with more votes and greater power. This seems logical to me in terms of the path of the CDS and it corresponds with its philosophy. Being centrist basically means putting a functional country first and regarding politics as the natural organization of the will of the citizens.

[Question] Setting aside this shift to the "center" of something which in my view cannot be shifted, I would ask you if it was to this end that you have defended greater dialogue with all the social forces, including the central trade unions, and with the president of the republic.

[Answer] Precisely. I think that this may even be the only way of getting to the center. On the one hand, we must not make partisan those issues which should not be partisan. We cannot engage in presidential elections every day. There is no need to have any personal problem with the president of the republic. Nor can we ignore the fact that there are certain organized social forces

beyond the parties and that the parties will not change. Respect for the autonomy of society is a liberal element. Respect for the autonomy of the state is too.

[Question] One of the descriptions given to the line which triumphed at the congress, among other things with regard to you and Adriano Moreira, describes you as the individuals most capable of dialogue with the president of the republic. Do you think this has some basis?

[Answer] One of the presumptions of my analysis is that the presidential and institutional issues have been laid to rest. If we raise these issues every day, we will get nowhere. In addition, I believe that there should be no analysis undertaken on the basis of personal relations, but only political relations. In this connection I would be pleased if this CDS congress were the beginning of a new kind of relations in Portuguese political life and among the various partners. New political relations with the state bodies, and also with society itself. I think that the parties cannot be power sectors which distribute posts, but must be bodies which move along with society and which are the vehicles used by the state bodies to assist that movement by society.

New AD Possible

[Question] When Freitas do Amaral resigned, he spoke of the possible creation of a "new AD." Do you believe that the results of this congress, which have also been interpreted as an indirect defeat for him, could lead to the creation of such a "new AD," with Freitas do Amaral and outside the CDS?

[Answer] I believe that Dr Freitas do Amaral adopted an extremely proper position, and my relations with him are most cordial, as is clear, moreover, from a statement he himself made. In the short run I do not think this hypothesis is likely. In the longer run, one cannot exclude the possibility of any political phenomenon involving Prof Freitas do Amaral, since he is one of the key ralliers of votes and one of the most respected political leaders in Portuguese society. Therefore, no solution of this type could be excluded. Above all, as a candidate for the presidency of the republic. If a new party emerges now this would seem to me more difficult, at least in the short run.

[Question] Your style, your language and your conduct do not fit the most usual or imaginable image of the ordinary CDS voter and member. How did you become a party leader?

[Answer] I agree that there may be some differences, but the concept of difference is part of the concept of the liberal man. What I would say is that I represent more nearly a party frontier within the CDS than its umbilical center. I think moreover that a good description of what happened at the congress would be that the CDS selected its frontier, instead of remaining where it was. It preferred a dynamic goal and blazing a path to new horizons to a contemplation of its former situation. But remember too that since I joined the CDS many years ago, I have been closely linked with its history and I have been involved with various and important situations in the party.

5157

CSO: 3542/62

CONSEQUENCES OF PIRES VICTORY IN CDS ANALYZED

Lisbon O JORNAL in Portuguese 25 Feb-3Mar 83 p 5

[Article by Jose Carlos de Vasconcelos: "FSD and CDS Win the Elections... for the PS"]

[Excerpts] 1. The triumph of Lucas Pires at the CDS [Social Democratic Center Party] congress introduced a somewhat unexpected note in Portuguese politics and revealed that that party had a reactive capacity not previously recognized. When practically everyone thought that the centrist congress would do no more than endorse decisions already adopted or deals already made, as usually happens at congresses, exactly the opposite occurred.

On the other hand, the majority in the CDS would prefer the clarity, although it may sometimes be clarity in paradox, of an individual such as Lucas Pires, to the creation of a dark area containing almost all of the best party cadres--a vast but diffuse collection of personalities. Or again, the majority in the CDS would prefer to choose a present figure, would prefer the option of a certain change, to the creation of a dark space even though full of golden figures, in which the greatest presence would be that of an absent individual (Freitas do Amaral). Which obviously means, although naturally everyone denies it, a posthumous defeat--posthumous in terms of the CDS, obviously--for Freitas do Amaral. The majority in the CDS would prefer, finally, to opt for the clearly political, to the detriment of the manifestly technocratic, or even bureaucratic. Without adopting any clear option, from the ideological point of view, because in this realm, no choices present themselves clearly.

2. And here we come up against the specific problem of the alliance between Lucas Pires and Adriano Moreira, the latter, according to all witnesses, having made a decisive contribution to a triumph which turned out to be above all one for both. How then has this individual who has emerged in recent times as the most open, most intelligent and most modern expression of the CDS joined in this kind of bicephalous leadership with that other individual, a former minister under Salazar, who precisely for this reason has an image linked more with the past? Can the "explanation," or a part of it, lie in the "good relations" both maintain with the president of the republic?

I will begin by answering the second question in the negative. At the most, the "explanation" lies not in these "good relations" but in what underlies

them: a minimum of intelligence and good political sense, which impose such an attitude on the AD [Democratic Alliance] people, above all after the defeat of Soares Carneiro. And only a few of the primates in politics need more than 2 years to understand this fact!

What in fact links Pires and Moreira under the circumstances is situational reasons. Neither one was willing to fade into the group of individuals who surrounded Luis Barbosa and whose formal leader he was, and neither one alone would have the strength to triumph. Apart from this, there are some who regard Pires as too new and Moreira as too old. And so, naturally, they joined together.

3. This means that I obviously do not believe (and would he?) in the "explanations" of the kind Lucas Pires provided during the interview published elsewhere in this issue to justify the triumvirate in question. And I suppose that there will naturally be a struggle between Pires and Moreira, which will sooner or later have its effects. Nor do I exclude the possibility that the "balance" between the two factions they represent will not last very long, and that Lucas Pires will find other "allies" within the CDS (such as Sa Machado, Morais Leitao, and perhaps even Luis Barbosa), taken from the group which has now been defeated, while others in that same group would eventually support Moreira (such as Ruy de Oliveira). We shall see.

One thing seems certain to me already. In immediate electoral terms, the victory of Pires, or if you prefer that of Moreira, was advantageous to the CDS, a party politically blocked in the short run, and one which, with the resignation of Freitas do Amaral, was condemned to failure to win 10 percent of the voters.

The new centrist leader has moreover already voiced a providential warning about this CDS decline, expressing the need to regain the ground lost. We would say, however, that if he can get the CDS to exceed the 10 percent level, he should already be content. If then 12 percent were achieved or exceeded, his results would be excellent. However, his internal adversaries must not view the matter thus, and before the CDS begins to develop again in the opposition, they will certainly want to alter the balance of forces within the party.

5157

CSO: 3542/62

COMMENTS ON MOTA AMARAL'S POSSIBLE POLITICAL FUTURE

Amaral Interviewed

Lisbon TEMPO in Portuguese 10 Mar 83 p 15

[Text] [Question] You were one of the personalities who were most applauded at the [PSD] Congress and your list for the national council was the one to win the most votes. Why did you refuse to head a list for the political commission, thus assuming a leadership position within the PSD?

[Answer] I have already explained on various occasions the reasons for my refusal to be a candidate. My government duties in the Azores only come to an end in 1984 and I want to remain in my position and discharge my duties until that time. Moreover, I will probably be a candidate again in 1984 for the leadership of the regional government.

[Question] It is being repeated with increasing insistence that you will be a candidate during the next elections for the presidency of the Republic.

[Answer] (After a few moments' silence...) Of course, this is always possible, if the party so desires. However, there is nothing definite about that.

[Question] How do you interpret the results of the congress?

[Answer] I advocated another solution for the leadership, a more personalized one. However, the congress voted for another and I respect the decision, since it was the express will of the majority of the delegates.

[Question] Do you believe that the fact that the leadership is not personalized enough could affect the PSD in electoral terms?

[Answer] Everything points to the fact that the PSD will be led by Professor Mota Pinto. Therefore, I do not consider this a disadvantage.

Amaral Seen Belem Mediator

Lisbon O DIABO in Portuguese 8 Mar 83 p 11

[Article by A. P.]

[Text] Mota Amaral's statements upon leaving Belem following a meeting with General Eanes were a sign that the Montechoro congress was important in the short term (but there are others who do not feel this way on an intermediate basis).

Mota Amaral explained that he advocated a platform of consensus between the four principal parties under the aegis of the president of the Republic, to be implemented during the pre-electoral period and taking into consideration the situation of the country. This idea, presented as emanating from Mota Amaral and accepted by General Eanes, was clearly understood as being an idea of General Eanes, with Mota Pinto in the role of a privileged mediator in the contracts between the president and the parties.

Later, in the Azores, during a press conference, Mota Amaral distanced himself from national political developments, speaking on the political problems of the Azores, as if to say "I and the PSD, in the Azores, have nothing to do with the developments of the situation" (this should be read as the developments on the continent). In the view of many, Mota Amaral is achieving the position of a presidential mediator and of candidate to the presidential elections in 1985 under Eanes' aegis.

In light of this, he does not need and does not want to be prime minister or president of the PSD before this date. It would be enough for him, following the failure of various party leaders, to be named the PSD's presidential candidate in 1985 and receive, for lack of better prospects, votes from the right, as well as be accepted by the center and the moderate left--and thus be in a position to face Mario Soares.

OSD: 3542 86

CDS EXPRESSED UNRESERVED SUPPORT FOR EEC INTEGRATION

Lisbon TEMPO in Portuguese 10 Feb 83 p 7

[Text] The statements attributed by the weekly EXPRESSO last Saturday to PSD [Social Democratic Party] deputy and chairman of the parliamentary committee for European integration, Dr Rui Amaral, caused ill feelings in the CDS [Social Democratic Center Party]. According to these statements "Resistance to EEC accession, which until recently did not exist, is growing within the CDS." Rui do Amaral made these statements (which were not denied) last week in Brussels when a PSD delegation, which also included Amandio de Azevedo, Rui Almeida Mendes and Cardoso e Cunha, paid an official visit to the EEC Commission. According to Rui Amaral, the CDS's resistance was possibly due to that party's "conservative nature" and its defense of "established interests that are being put in jeopardy by membership." Nevertheless, Rui Amaral confessed not knowing "the origin and real reason for that resistance." He concluded that the PSD was "the most European of all Portuguese political forces."

The CDS's displeasure with these statements appeared at various levels. We were able to obtain a short statement from Dr Fausto Quadros of the CDS's international relations committee, which is responsible for relations with the European Communities. After cautioning that he for his part "had no intention of contributing, in any way, toward turning this episode to the advantage of those who search every pretext to create even more difficulties for the government coalition and discredit the AD even more," Fausto Quadros told us: "If true, Dr Rui Amaral's statements are very serious and profoundly unjust. They are very serious because of the role Dr Amaral plays in the PSD and in the parliamentary committee for European integration and because he chose to say them at an inappropriate time--while on an official visit to the EEC's Commission as a member of a partisan delegation of the highest level which, according to EXPRESSO represented the PSD president himself. These statements are also very unjust and incorrect. Dr Rui Amaral knows very well that the CDS's defense of the European option for Portugal dates from the 1974 declaration of the party's principles and program. He also knows that since 1975--when it was the only party to propose that mechanisms be created in the constitution to ease Portugal's accession to the EEC, on which no other party joined it under the pretext of "national independence"--the CDS never stopped defending rapid and advantageous Portuguese membership in the Communities. Without mentioning the decisive role the CDS has played in the AD [Democratic Alliance] governments in favor of membership and to give

only the most recent examples, I will simply note the resolutions the CDS participated in or initiated on this matter and which were approved in meetings of the European Christian Democratic Union, the European Democratic Union, and the European Popular Party since Sa Carneiro and Freitas do Amaral regarded membership in the communities as the highest priority of our foreign policy. I will also point out the harsh criticism the party president directed at the Copenhagen Common Market summit because of its decision to put off setting a definite date for Portugal and Spain's accession. This criticism had great impact on community members.

The CDS believes it does not need to go around showing off its faith in Portugal's European option because it is sufficiently well known. It also feels the membership cause should not be turned into a stage of intrigues or a vanity fair by any party. For us, Portugal's accession to the EC is a serious enough matter, because it is vital to the national interest, for it not to be raised as the exclusive banner of any one party (without detriment to the different concepts each political force may have with regard to it). On the contrary, it should be faced and debated as a subject of obvious national interest. Due to the great implications membership will have on our future, this cause should serve to unite and mobilize the Portuguese instead of being one more factor of disunity and discord among them."

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CSO: 3542 52

POLITICAL

PORTUGAL

SOARES' STATEMENT PROMOTING PS ATTACKED

AVANTE Publishes PS Tract

Lisbon AVANTE in Portuguese 10 Feb 83 p 5

[Text] "Can the Nation Endure 4 More Years of ar AD Government?"

Are we going to live through 7 years of AD [Democratic Alliance]--up till 1987?

Can we endure having them in power for another 4 years?

No, because we cannot possibly accept a doubled foreign debt that has made us reach the greatest level of instability we have ever had and compromises our independence.

No, because the lack of responsibility has thrust us into a situation that does not guarantee job creation nor stability for existing jobs, and hits the people's standard of living hard.

No, because we cannot possibly accept that no plans are being made for changing nor are changes being carried out in the nation's structures, in modernizing agriculture, diversifying exports, or in consolidating basic industries.

Three years later, it is now possible to compare. Portugal cannot endure 4 more years of government by the AD parties.

Portuguese democracy needs a new kind of responsibility in the conduct of public life.

It needs government office holders who promise less and accomplish more.

It needs someone who is able to talk and listen with tolerance and who is firm in his decisions.

It needs policies of truth, strictness and social justice.

It needs a solid national consensus to confront the crisis.

[signature] Mario Soares

(Mario Soares)

In strength against the crisis with the PS [Socialist Party].

'AVANTE' Criticism

Lisbon AVANTE in Portuguese 10 Feb 83 p 5

[Excerpts] The comical announcement the PS placed in some publications toward the end of last week contains a number of points that are particularly revealing of the socialist leader's intentions in the present situation. Let us look.

What is most significant is, of course, the text itself and the (let us say...) ideas contained therein.

Let us begin by examining the care with which the AD is exclusively attributed responsibility for the nation's crisis while the continuity in PS, PS/CDS [Social Democratic Center Party] and, later on, AD governments' policies are completely hidden. The following paragraphs are an inconsequential patchwork of unstructured and unexplained statements such as "the lack of responsibility has thrust us into a situation that does not guarantee job creation..." etc.

Lack of responsibility? The Balsemao government's errors involved "irresponsibility"? In relation to what? The "responsibility" being defended is in regard to what? Is it a question of "irresponsibility" or is it a question of political acts that are of no use to the nation? Are Balsemao and Salgueiro "irresponsible" or, on the contrary, are they responsible for resolutely imposing a policy that has led Portugal to the edge of disaster and which was rejected by the Portuguese?

To speak in the abstract about "irresponsibility" is, in reality, to hide the basic facts of the real responsibility politicians have toward the policies they defend and toward the interests of the people and the nation.

The equally vague fourth paragraph is even more deceitful. It is significant that it is Dr Soares who speaks of "changing the nation's structures, modernizing agriculture, diversifying exports, consolidating basic industries."

What does the PS understand by "changing the country's structures"? Since no specifics are given, it can be concluded these will be the changes it introduced and tried to introduce in the constitution with the AD, the changes it tried to introduce with the AD through the law delimiting sectors, the changes it tried to introduce with the AD in the electoral and local government powers legislation, the changes it tried to introduce with the AD in banking by opening it up to private capital, the changes it introduced with the AD in the armed forces with the defense law.

The nation has already said it does not want these "structural changes."

And what about "modernizing agriculture?" Because of the silence, one can legitimately conclude that the PS's understanding of "modernizing agriculture" is the Barreto law, which destroys agrarian reform--the law of "the rich landowners" that plunged tenants into ruin, the suspension of work on the Alqueva, in conclusion measures taken by PS governments with AD support.

In addition to the meaningful silence on imports, "export diversification" will no doubt mean strangulating our agriculture and our textile industry because of EEC accession plans which the PS initiated and defends, the policy of hostility toward the new Portuguese speaking countries carried out by PS governments, the subjugation to the IMF and imperialism started by the borrowing policies of PS governments.

The suspension of the national iron and steel plan promoted by PS governments, the financial strangulation of the nationalized enterprises begun by PS governments, the handing over to private capital intervened and nationalized enterprises begun by PS governments and the scandalous payment of indemnities to the former monopolists legislated at PS initiative must be what is meant by the announcement's reference to "consolidating basic industries".

"Three years later; it is now possible to compare."

It is possible to compare what with what?

Of course it is possible to compare the AD's policies for the past 3 years with those of PS governments and come to the conclusion they are the same. It is possible to compare the policies put into effect by PS governments with the support of the Right and the policies put into effect by the Right's governments with PS support and come to the conclusion that they are naturally the same thing. It is possible to compare and to conclude that the degradation of the nation's economy and political life did not begin 3 years ago but 7 years ago with PS governments. It is possible to compare and ascertain that everything began to worsen not 3 years ago but 7 years ago.

In fact, it is possible to compare and see that these last 3 years began during the preceding 4 years.

Dr Mario Soares believes Portuguese democracy "needs government leaders who promise less and accomplish more."

Dr Soares is completely wrong. The Portuguese people are not fed up with leaders who promise; they are fed up with leaders who do not fulfill their promises. What we wish for and demand are not leaders who promise less but leaders who promise what they have to and fulfill what was promised.

Why does the PS fear making promises? Does it fear it is incapable of fulfilling them or does it fear having to reveal its intentions?

Dr Soares further believes Portuguese democracy "needs someone who can speak and listen with tolerance and decide with firmness."

And why not speak and listen with firmness and decide with tolerance?
And why not speak and listen with tolerance and firmness and decide with
firmness and tolerance? And why not speak and listen decidedly and decide
dialogically?

Empty sentences, but, perhaps, not only empty sentences. Dr Soares wants
to say that his idea of politics consists of sweet words and tough actions.
That we already knew.

As for the "consensus", what consensus? Consensus among whom and to confront
the crisis how?

Consensus between the exploited and the exploiters, between workers and
opportunists, between democrats and fascists, between peasants and big land-
owners, between technical staff and incompetent careerists?

Consensus between those who want to save Portugal and those who have led it
to disaster? Consensus between those who defend the constitution and the
revolution and those who do everything to destroy the constitution and the
revolution?

Consensus between truth and lies, between those who read newspapers and those
who manipulate the news, between those who produce and those who speculate,
between those who are Portuguese and those who are selling Portugal?

When so much is said about "consensus" in the abstract it is undoubtedly
because one wishes to ignore real consensus. There is a [consensus] through-
out the nation that the Right's policies of disaster change and that the
workers and their party--the PCP--actively participate in resolving the crisis.

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CS0: 3542/52

TESIRESD REJECTS CGTP ALLIANCE

Porto O PRIMEIRO DE JANEIRO in Portuguese 9 Feb 83 p 9

[Text] The Reformist Social Democratic Trade Union Tendency (TESIRESD) announced Monday it will reject initiatives for any joint action with the CGTP-IN [General Federation of Portuguese Workers/National Intersindical].

This position will be held as long as the CGTP-IN "remains completely subservient to the PCP's [Portuguese Communist Party] interests, maintains principles that undermine democracy and attempts to destroy the freedoms the Portuguese people won with the 25th of April," reads the communique.

The communique makes public the conclusions reached by the national council at its recent meeting and it adds that the council also decided to reassert the political/labor strategy approved in the last TESIRESD congress.

This strategy deals mainly with strengthening the UGT [General Union of Workers] and "maintaining a special trade union alliance with Socialist Tendency without allowing, meanwhile, hegemony or partisanship to occur in the democratic labor federation."

The TESIRESD national council also decided in favor of holding an extraordinary congress by 25 May.

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CSO: 3542/52

BRIEFS

PPM: AD STILL VIABLE--The PPM's [Popular Monarchist Party] national council, which met until early morning yesterday, empowered the political committee to begin negotiating with the PSD [Social Democratic Party] and the CDS [Social Democratic Center Party] and to begin preparing independent electoral lists in case those two parties opt for running separately in the legislative elections. During this first meeting to discuss monarchist electoral strategy, the council reportedly considered a PPM electoral alliance with parties other than their present AD [Democratic Alliance] partners to be "inadmissible and undesirable", although the sessions had initially granted the possibility of a more wideranging set of alliances excluding only the APU [Unite People's Alliance] and the UPD [Popular Democratic Union]. The monarchists, who decided to schedule their ordinary congress for May, considered "the recreation of the Democratic Alliance to be still possible." Ferreira do Amaral listed the "sins" committed by the AD men in a speech given during the council meeting. These sins were: "not satisfying the electorate, not exercising power where it could, not maintaining the desired ethical impartiality, not governing effectively, and not overcoming petty personal problems." [Text] [Lisbon O DIA in Portuguese 10 Feb 83 p 14] 9935

DIALOGUE WITH PRESIDENT--Mota Pinto affirmed yesterday that a dialogue with the president of the republic is a "duty and not a choice." Speaking to the press after an audience with President Eanes, the PSD leader also stated his availability for a "political dialogue" with the chief of state and "other leadership organs." Mota Pinto also explained that he "had wanted to confirm to the president the respect felt for the position, attributes and functions of the presidency of the republic." [Excerpts] [Lisbon O DIA in Portuguese 11 Mar 83 p 14]

CSO: 3542/86

DELIBERATION ON LOCAL ELECTION LAW BEARS RESULTS

Changes in Law Approved

Madrid YA in Spanish 9 Feb 83 p 9

/Article by Julio Fernandez/

/Text/ By a vote of 181 for, 107 against and 11 abstentions, a plenary session of Congress has approved the draft organic law which changes specific articles of the prevailing Local Elections Law, without accepting any of the amendments presented by opposition groups.

The modified law introduced by the government will be applicable immediately to the upcoming local elections and, according to the vice president of government, Alfonso Guerra, will coincide with the autonomous elections, possibly at the end of May. The new law provides for a more proportional election system than its predecessor by decreasing the representation of the municipalities with respect to the number of inhabitants of the province.

The number of deputies per congressional district will be determined in accordance with the following scale: up to 500,000 inhabitants, 25; from 500,000 to 1,000,000, 27; from 1,000,000 and up, 31, except for Madrid and Barcelona which will have 51 provincial deputies.

The Catalan Minority (Gomis Marti) and the Popular Group (Rodriguez Calero) supported elimination of Article 5 from the draft law so that the representation in the congressional districts would continue to be in conformity with Article 31 of the current 1978 law, while the UCD /Democratic Center Union/ (Gabriel Cisneros), which agreed that the change introduced substantial improvements nevertheless was critical of the large representation it conferred upon the metropolitan areas vis-a-vis the rural groups. Rodriguez Calero advanced the argument that the Constitution defines the provinces as groups of municipalities and maintained, therefore, that they should represent the interests of the small and big municipalities within the framework of the congressional districts.

Speaking for the socialists, Luis Fajardo said that the text attempted to adhere to the criterion of proportionality in population representation, although he asserted that the interests of the municipalities were considered

when deputies were selected during a second election within the registered parties. "We do not want the municipalities to be represented but rather the populaces of those municipalities."

Rodríguez Sahagun, CDS /Democratic and Social Center/ deputy in the Mixed Group, request an amendment to Article 31 of the present law so that no registered party will have more than half the deputies in Congress.

The socialist group (Cebrian), adhering to the spirit of the amendment, proposed a compromise to limit the number of deputies a registered party can have to three-fifths of the total of the province's representation.

During the vote on this amendment, which was approved with the abstention of the Popular Group, as happened quite monotonously with the rest of the votes on the article, at least 40 ghost votes were recorded when the electronic vote counter registered the presence of 298 deputies, while the number of deputies at present is not over 250.

Proportional Representation System

Communist deputy Santiago Carrillo simultaneously proposed four amendments to the text of the draft law "in the spirit of one man, one vote," with a view to the addition to the authorized representation of a number of directly elected deputies. Carrillo reminded the PSOE /Spanish Socialist Workers Party/ that this had been his thinking during discussion of the 1978 law, when there was still opposition.

The other principal article debated was number 7, which amended Article 32 of the current law with respect to the election of provincial deputies. The text of the bill provides that such elections will be conducted by applying the d'Hont proportional representation system to the number of votes obtained by each party, coalition or federation in the registered parties (at present, the system is being applied to the voting among elected municipal councilmen).

UCD and the Catalan Minority proposed amendments to ensure the representation in the congressional districts of independent councilmen. Centrist Diez Fuentes requested that the electoral groups be determined before the proclamation of councilmen with a view to cumulating the votes obtained in the municipal elections of each registered party. Exception was taken by socialist Antich who said he thought it beneficial to have few party slates and asserted that in any event such agreements should be reached before elections.

Comment on Impact of Changes

Madrid YA in Spanish 10 Feb 83 p 11

/Article by Margarita Jimenez/

/Text/ Congress has approved the draft organic law which changes specific articles of the 17 July 1978 Local Elections Law. These changes, as is logical, also affect the Madrid city council. This law also eliminated the temporary

stand down /transitoria quinta/. This means that mayors, councilmen and delegates serving in city administrations do not have to resign, as happened in past elections, in order to run in municipal elections.

This was important for the Madrid city council, as on future slates there will be repeaters from groups of the left; and there is even speculation about the possibility that an active delegate could also appear on the slate. Resignations could have meant a vacuum in government.

The socialists, because they did not see this clearly or because they wanted to "give" the PCE /Spanish Communist Party/ hope, decided not to stick to the initial proposal that the mayor be the head of the slate which got the most votes. That is, the mayor is elected at the same session the Congressional slate is prepared, by an absolute majority of its members, enabling all councilmen who have appeared at the head of their slates to be candidates. This permits coalitions, as happened with the left in Madrid in the last municipal elections, when it took power, even though the centrists received the majority of the votes.

In the last municipal elections, the difference between the votes for the PSOE and the UCD was 11,798 in favor of the centrists. In the recent general elections, the forces had to reckon with the AP /Popular Alliance/, and in this case the vote difference was 250,821 in favor of the PSOE. Of course, Madrid is not the only city involved, and the government decided to retain the election of mayors.

If we analyze what would have happened in the province if the centrist receiving the most votes in cities of over 20,000 inhabitants had become mayor, compared to the 1979 municipal elections, UCD would have one more mayor, as in addition to Pozuelo de Larcon, where there is a centrist mayor at present, the UCD also received the greatest number of votes in Majadahonda, which is governed by socialists thanks to the coalition of the left. In the rest of the city councils, the PSOE would have been able to "govern" without the need for coalitions.

The law also provides for a change based on the situation in which many city councils find themselves, particularly because of the disintegration of the UCD and the departure of some socialist councilors to join the central administration. At present, at any plenary session of the Madrid city council, it is difficult to obtain a simple quorum majority, which is required for approval of some matters. According to the law, a simple or two-thirds majority is not based on the number of authorized councilors but on the actual number of councilmen on the council.

Thus, in the case of Madrid, where previously 30 votes were needed for a simple quorum majority, only 25 votes will now be required, because 11 councilmen have been "lost" since the council was installed in office.

In the law approved by the Cortes, it is expressly stated that Madrid will have 51 provincial deputies. It should be clarified that this is the way the

law puts it, as the Autonomy Statute has not yet gone into force; once the statute becomes effective, this provision of the law will be without force, because in the case of Madrid, which involves a uniprovincial autonomy, the congressional representation will be absorbed by the autonomous entity.

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CSO: 3548/193

PSUC UNDERGOING REORGANIZATION IN EXECUTIVE

Madrid EL PAIS in Spanish 1 Mar 83 p 16

[Article: "Large-Scale Reorganization of PSUC Executive"]

[Text] Barcelona--The Central Committee of the PSUC [Unified Socialist Party of Catalonia] approved last weekend a large-scale reorganization of the party's Secretariat and of its Executive Committee, reducing the number of their members and bringing in new leaders. The most significant addition has been that of Francesc Frutos, who occupied the general secretariat in the controversial phase between the Fifth and Sixth Congresses and who is considered the leader of the so-called Leninist wing.

Another top figure in this wing, the spokesman of the Catalan Parliament, Rafael Ribo, has postponed his return to the Executive Committee, citing personal reasons (competitive proceedings for a professorship), although he expressed his agreement with the overall proposal advanced by Secretary General Antoni Gutierrez Diaz, which was approved practically unanimously, with only eight abstentions.

Frutos Ribo and Manuel Vazquez Montalban, together with other Leninists, like Andreu Claret and Josep Maria Rodriguez Rovira, were elected members of the Executive Committee at the conclusion of the Sixth Congress, which took place in March 1982 and which entailed the full recovery of Eurocommunist policy. The Leninists, who had controlled the running of the PSUC during the immediately preceding period, agreed to occupy positions of responsibility, although in a minority status. A new position was created for Francesc Frutos: That of deputy secretary general. Shortly after that, however, Frutos, Ribo and Vazquez Montalban resigned when the wounds opened by the old rivalries between Leninists and Eurocommunists, designations that day by day become less meaningful, proved not to have been healed. On at least one occasion, Frutos and Ribo declined an invitation by Antoni Gutierrez to re-join the Executive.

The reorganization has involved a substantial reduction in the number of members of the Executive from 28 to 17 members, plus one--the political head of Barcelona--without the right to vote. Two heads of CCOO [Workers Commis-

sions_, Paco Rodriguez and Joaquin Rodriguez, were also brought into this executive body, and former Government "conseller" of Public Health Tarradellas Ramon Espasa rejoined the Committee.

Leaving the Executive Committee is Josep Lluís Lopez Bulla, secretary general of CCOO. Antoni Gutierrez Diaz explained this at a press conference yesterday, pointing out the existence of a precedent in the PCE [Spanish Communist Party], where Marcelino Camacho also left the party's executive body to dedicate more and better effort to labor union work. This reorganization of the Executive, although clearly involving policy aspects with the return of Frutos, has been publicly termed a technical measure designed to streamline the executive body and energize it.

With regard to the Rumasa affair, Gutierrez Diaz stated he is opposed to the return of the expropriated banks to the private sector once they have been bailed out by public funds. He recalled that the communists have long advocated the creation of a commercial banking public sector, and asserted that it would be contradictory for the big banks now to profit from the bankruptcy of Rumasa.

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CSO: 3548/229

PSOE MENDING INTERNAL FENCES IN ARAGON

Madrid EL PAIS in Spanish 1 Mar 83 p 16

[Article by Javier Ortega]

[Text] Zaragoza--At least 10 former members of the PSOE's [Spanish Socialist Workers Party's] dissident wing in Aragon will be readmitted into the party. The party's federal executive body has approved the resolutions adopted by the local, provincial and regional executive bodies, with respect to the persons expelled in 1980 because of confrontations between members of the dissident wing and of the party apparatus, which culminated in the dissolution of the Local Executive Committee of Zaragoza and the appointment of an administrator.

Most of that group of expellees had requested reinstatement of their party membership after the conciliation proposed at the last regional congress. Rafael Zorraquino, the principal member of the dissident wing, who had been secretary general of the party in Aragon, is not one of those requesting reinstatement.

On the other hand, as an immediate thing, 40 members of the defunct PAD [Democratic Action Party] will be accorded membership in the PSOE. Some former members of the PSOE who recently were members of the PAD, have either declined to rejoin the PSOE or may have difficulties in returning to it by way of the integration of the PAD.

The admission of new members into the PSOE may include persons from other leftist parties, the PSA [Socialist Party of Aragon], or the PCE [Spanish Communist Party].

A special case is that of Jeronimo Blasco, former member of the PCE, who resigned recently as councillor of the Zaragoza Council under criticism by his party, which accused him of negotiating his inclusion in the PSOE ballot while still a member of the PCE. There are sectors of the PSOE that are opposed to Jeronimo Blasco's entry into the party and his inclusion in the party ballot.

The ballot the PSOE wants to field for the coming municipal elections in the Mancha capital, headed by engineer Jose Jerez, is opposed by 47 percent of the party's local assembly of Albacete. The second ballot, presented by the dissident wing and headed by former Deputy Antonio Peinado, exceeded all forecasts when it obtained 43 percent of the votes versus 53 percent for the official ballot (76 votes for the official and 60 for the dissident, with 6 abstentions), according to our correspondent, Andres Gomez.

Moral Victory for the Dissidents

The dissidents, who consider this a moral victory, attained very favorable positions of support for their candidacies during the assembly proceedings, but were finally defeated by the intervention of the present mayor of Albacete, Salvador Jimenez, who, although he had initially expressed his support of the dissident candidacies, at the last minute appealed for votes in support of the official ballot, which includes only three of the present members of the capital's Municipal Council.

The close outcome of the assembly vote would indicate that the official ballot will have to make room for some candidates from the alternative ballot. Jose Jerez himself has given his word to Antonio Peinado that he will accord serious consideration to this possibility before going to the polls with virtually half the party opposed.

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CSO: 3548/229

INTERVIEW WITH CATALAN MINORITY SPOKESMAN ROCA

Madrid TIEMPO in Spanish 21-28 Feb 83 pp 17-20

[Interview with Miguel Roca Junyent, the parliamentary spokesman of Catalan Minority, by Candido; date and place not given]

[Text] Miguel Roca Junyent, the parliamentary spokesman of Catalan Minority, is the only moderate alternative to the PSOE [Spanish Socialist Workers Party] and the UCD [Democratic Center Union], according to many. A Catalan nationalist, he is nevertheless one of the politicians who most strongly support the concept of the State.

"Of course we politicians have moments of discouragement," Miguel Roca Junyent has written. Yet it would be hard to imagine this happening to him. Roca has the patience of an ant and the impatience of a purebred. He possesses the astonishing skill of being able to place everything that occurs to him within a historical context. To him, history is what his heart tells him: "The Catalan movement is fundamentally the expression of feelings, of an awareness and of a will to be."

Above the table in his tiny office in Congress there is a no smoking sign. He courteously removes it. "Most members of Catalan Minority do not smoke," he tells me. Yet there is an ashtray on the table. I absent-mindedly light a cigarette during our conversation. As he speaks, he listens on a sort of intercom or the like to the session that is under way.

[Question] How do you see the reform or the reformist party that you are advocating?

[Answer] I am not advocating; I am defending the need for a coordinated reformist space. I am not advocating, because that would be improper since I belong to another party.

[Question] But don't you think that the Socialist Party, which won a majority at the elections, now represents the best possible reformism?

[Answer] The term reformism is very specific and was coined in Europe as meaning a determination to transform society through successive reforms that do not cause traumatic situations nor entail a loss of freedom.

[Question] That confirms what I have said about socialism.

[Answer] A reformism's reforms should not entail a drop in customary Western living standards either. Reformism has quite a bit of liberalism and some elements of Social Democracy in it. But, above all, it is pragmatic. There you have it.

(By this Miguel Roca means that the question has been answered)

[Question] But let's see. Might not reformism in Spain be a pretext or an overture by the longstanding structures of financial capitalism for seeking a political option?

[Answer] That fear exists and it is worthy of consideration, especially when we have a socialism that has won a major percentage of the vote.

[Question] So why does this fear exist?

[Answer] Because it might seem that the Socialists are the only option for evading the danger that you have mentioned. Yet this line of reasoning demonstrates the error of your question. I do not think that there are really more progressive ideas and other less progressive ideas. I think that there are people who are progressive and others who are not. And if there are progressive people who vote for the PSOE because on the whole the PSOE represents progress, those people just might find a more comfortable place in a reformist option without ceasing to be progressive on that account. It all depends on how their views square with the program they are offered. So then, the reformist option exists in spite of 28 October.

[Question] But this reformism obviously stems from the Right.

[Answer] The dividing line between the Left and the Right is very hazy in the modern world. No party will always be on one side of the line. For example, what is more progressive: a television monopoly or a whole string of new TV stations? Which brings more freedom? Europe's most progressive movements at times come not from socialist sectors but from liberal sectors, which are showing themselves to be the ones pressing the hardest for change, the most dissatisfied. As we can see here, some socialist measures are not progressive because they seriously damage the country's economy. We also have the famous 40-hour work week. This proposal is based on the old concept of Marxist surplus value, in the sense that working less means sharing in the surplus value.

[Question] But you know that this is not primarily a Marxist grievance.

[Answer] True, the 40-hour work week stems from another philosophy: when there is less work to go around, it has to be apportioned more. But if job opportunities do not expand and unemployment mounts under this labor prescription, then it is not progressive. Calling oneself progressive does not give one carte blanche.

[Question] Does the reformism in which you are now engaged have a historical precedent, such as Melquiades Alvarez, in connection with a form of government and all that?

[Answer] It does not have a clear-cut precedent. And that stands to reason, because reformism is a modern idea that emerged as a trend towards political polarization developed throughout Europe. It came on the scene and took hold when the dangers of such polarization became evident.

[Question] So you do not acknowledge any forerunner.

[Answer] Reformism's clearest forerunner is its persistent absence from Spanish politics. We needed it under the Republic and we haven't had it during this democratic stage. A reformist space was necessary in both periods. I have heard Socialists, AP members and UCD members complain, in moments of candor, about the lack of this space and acknowledge how necessary this nonexistent force is. So, reformism's forerunners are the ongoing need for it and also the adverse effects of its absence in every period.

[Question] Do you think that your Catalan nationalism might be an obstacle or at least make some people reluctant to accept you as the force behind a nationwide party?

[Answer] Yes, that might be. There are people who think like that, but I refuse to accept it. This is very serious. It is very serious when a person, because he is Catalan, cannot offer Spain a political program. Such an opinion is also a serious danger to democratic stability. Furthermore, it is contradictory. Because there are those who think that way and yet have faith that Catalan nationalism can give rise to an avenue of support for an option of modernity, freedom and progress, an unequivocally democratic avenue. Look, I am not obsessed with pedigrees, but I am proud of my group. It is a good guarantee that what we want to do now we will do well.

[Question] Won't this reformist party be an extension of Convergence? Because I assume that most of the principles, most of the positions will be the same, the LOAPA, for example.

[Answer] I don't think that such common ground is inherently bad. If I have aroused any interest, it is because I represent a given option. Therefore, the common ground might stem from our roots, from the space

in which people are seeking to participate in the program. The people who have come looking for me do not reject what I am doing.

[Question] I wasn't exactly talking about common ground.

[Answer] The common ground that I have been talking to you about in no way means an extension, which is what you mentioned. It does not mean extension; it means a recognition that the reformist space in Catalonia is being assumed by the political side of Convergence's Catalan nationalism. And don't doubt that if this reformist space prospers, it will help to make Spanish politics more stable.

[Question] I mentioned LOAPA.

[Answer] There are more people against that law than for it. It threatens not so much the model of State as the model of society and freedom, in a way. There are 17 autonomies. A reformist force that did not respect this mandate for autonomies would not be viable.

[Question] Have you talked with Fraga? Verstrynge told me last week that there are some understandings between Popular Alliance and Catalan Minority.

[Answer] Fraga is quite familiar with my view, which he respects but does not share, just as I respect his. As far as he is concerned, AP is sufficient as an alternative to socialism, whereas I feel that without the force of reformism it will be difficult to find a viable alternative. We'll see which of us is right.

[Question] So it's not true that you and Fraga might reach an understanding?

[Answer] I don't want quarrels with anyone. I am merely defending a need and an idea. This is politics...No one should get nervous.

[Question] Tell me, how is Tarradellas? Do you see him?

[Answer] Tarradellas is brilliant. I had tea with him 2 weeks ago. His mind is still very clear. He is truly a great statesman, and I am honored to be his friend. Above all, however, I look up to him as a hero because for almost 40 years of solitude he said to himself every morning when he awoke: "I am the president of the Catalan Assembly." His incredible stubbornness has made many things possible.

[Question] What is the ultimate goal of Convergence and Union?

[Answer] The Catalans who have had faith in me and my party want us to defend their interests in Spanish politics. They know, therefore, that in order for such a defense to be effective, it must be able to guarantee a policy that squares with what they want.

[Question] And what specifically do they want?

[Answer] They want a program to modernize the State and they want forces that can carry out such a program. In a way this has also been one of the constants in Catalan political nationalism.

[Question] Are there grounds for a lack of understanding between Catalonia and the rest of Spain?

[Answer] What we have are conflicts stemming from the autonomy and from the reality of Catalonia itself, especially in the linguistic and cultural spheres. But I think that a very great deal of progress has been made and that a period of greater understanding is foreseeable. In any case, even for this it would be a good idea to have a reformist space, which by its very nature could "liberalize" certain overly monolithic conceptions that work against such an understanding.

[Question] You mentioned the language problem.

[Answer] This is about to disappear. This will be a decisive step, because all of the mistrust that this problem creates will vanish too. When I was in the army, where they kept demoting me, a commander introduced me as follows: "He's Catalan but he's a good guy." It was exceptional for me to be a good guy because I happened to be Catalan. When they got to know me, they realized that I was a normal person.

[Question] Why do you think that Catalan nationalism has bothered the central government authorities so much? Because of its emphasis on autonomy?

[Answer] No. Because of the program to modernize the State that Catalan nationalism entails. And this meant that Catalan nationalism had to defend itself. It has largely been a defensive nationalism, as I have called it on other occasions. A defense against attempts at depersonalization, against disregard and discrimination, in a word, against central government aggression.

[Question] What political development might trigger the remaking of Catalonia's personality?

[Answer] Self-government. Catalonia is demanding self-government as a means of preserving its national personality. Hence, relations between Catalonia and Spain are not a futile, gratuitous game of mutual accusations. Above all else, they have represented an approach to the distribution of the State's power.

[Question] Catalan nationalism has been accused of being parochial, lacking solidarity.

[Answer] Exactly the opposite is true. Catalan nationalism's platform has always included a proposal for overall coordination in Spain, for its restructuring as a State. From Pi y Margall's proposals for federal

republicanism to Cambo's regenerationism, you can find a whole range of contributions that reflect one and the same determination to play an active role in the State's politics. And we Catalans can say proudly that among the major modernizations of the Spanish State were the ones that emerged from an acceptance, albeit partial, of the grievances of Catalan political nationalism. This is what is causing the fear.

[Question] Fear of what?

[Answer] Fear that the dissemination of the political action proposals that Catalan nationalism is offering all of Spain could garner wide-ranging support. No one is likely to want to submerge his personality in a homogeneous whole. There is no reason to believe that that many people are satisfied with the workings of a centralist, interventionist, corporativist, welfare State.

8743

CSO: 3548/240

MEETING OF EXTREMADURA, CASTILE-LEON PROVISIONAL ASSEMBLIES

Madrid EL PAIS in Spanish 5 Mar 83 p 20

[Text] The Provisional Assembly of Extremadura, the autonomous community's representative body, will be established today in Merida. Its mandate will extend until May, when the parliamentary elections will be held. The 65 seats in the assembly (30 from the province of Caceres and 35 from Badajoz) will be occupied, pursuant to the autonomy statute, by the members of the parliamentary bodies in the two provinces of Extremadura, with the remaining 45 seats apportioned in accordance with the vote totals of the political parties in the most recent general elections. Thus, the PSOE [Spanish Socialist Workers Party] will get 41 seats; the AP-PDP [Popular Alliance-People's Democratic Party], 16; the UCD [Democratic Center Union], 5; United Extremadura, 2, and the PCE [Spanish Communist Party], 1, Julian Leal reports from Badajoz.

The three UCD members from Caceres who had been part of the assembly have announced that they will not attend the inauguration ceremony. Juan Carlos Rodriguez Ibarra, who announced this yesterday at a press conference, does not know why the party has declined to attend the ceremony in Merida.

We can surmise, however, that their nonattendance might be due to the position that they took when they joined the Caceres Anti-Statute Bloc, demanding equal representation for the two provinces in the assembly.

In any event, Juan Carlos Rodriguez has announced that he will take a hardline stand against anyone who attacks the Extremadura autonomy statute, the basic legislation by which the Extramadura government must abide, from the time that it is published in the Official State Gazette.

The new Governing Board will also be seated at the assembly constitution ceremony. There will probably be changes in its makeup, given the desire of some of the current members to leave their seats. "During our months on the board," Juan Carlos Rodriguez stated, "we have worked intensely, and it stands to reason that some members are so physically weary that they no longer feel like staying on."

Elsewhere, the Plenum of the Castile-Leon Council met yesterday in Palencia to elect a president of the provisional board. The first elections to the Castile-Leon Cortes will be called by the General Council of Castile-Leon, subject to an agreement with the government. As of late yesterday afternoon no agreement had been reached on the election of officers, because there was a tie vote at 41 between the representatives of the PSOE and the combined forces of the AP-PDP (33) and the UCD (8), with the 2 members of the CDS [Democratic and Social Center] abstaining.

The meetings of the provisional bodies in Extremadura and Castile-Leon are linked to the imminent announcement by the government of local and regional elections.

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ASSESSMENT COMMISSION ON TRANSFERS SUSPENDS ACTIVITY

Madrid EL PAIS in Spanish 11 Mar 83 p 11

[Article by Carles Pastor]

[Text] Barcelona--The Catalan delegation to the Joint State Administration-Generalitat [Catalan legislative assembly] Commission on Transfers Assessment has decided to suspend meetings with the administration until further notice to signal its disagreement with the Socialist government's intention to pare back "without convincing arguments" the assessments agreed on in the commission in February 1982.

The president of the Catalan side, Ramon Trias Fargas, blamed the government side for "slanted leaks" to the press. He was referring to the newspaper accounts claiming that the Catalan negotiators were willing to reconsider their positions and to the document published by EL PAIS (see the 4 March edition) that mentioned government disagreements. According to Trias, this document is a study "that deserves no technical respect."

President Jordi Pujol, who presided over a press conference yesterday at the Generalitat to address this specific issue, pointed out that they "were not looking for quarrels or fights with Madrid." "Our desire," he added, "has always been to maintain the most positive possible climate for relations and negotiations with the central government, without bringing to the forefront controversial issues, which we would rather resolve through negotiations." Nevertheless, this is the time to explain to public opinion that they are uneasy about the issue of the assessments, because "our concerns have become intense and serious." Pujol at all times stressed that he was confident that an agreement would be reached. He even qualified some of Trias's remarks, noting specifically that they were not criticizing the press, which had acted on unofficial accounts and had not invented anything.

He emphasized that the Generalitat's planned investments were at stake ("the new Tortosa bridge, the sports pavillion, a school for the handicapped") and that it would be forced to cut them back if the assessments were cut. The 126.518 billion pesetas assessed by the Joint Commission for the 1982 fiscal year and the 11 billion for delays in the previous annuity were taken into account in drafting and approving the Generalitat's

1982 budget, and Pujol emphasized how absurd it was to retroactively jeopardize these revenues, some of which have been spent already and another portion committed. "We'll never be able to draft our budgets in that case," he remarked.

The Generalitat's official stand is that the Joint Commission is the only body with authority to set Catalonia's percentage share in the General State Budgets, under the Autonomy Statute and the organic law for financing the autonomous communities (LOFCA), and that its decision cannot be reconsidered. Pujol asserted that this was an institutional decision between the administration and the Generalitat, not between the Democratic Center Union (UCD) and Convergence and Union, and that it cannot be questioned just because another party has come to power. The Cortes, he went on to say, should confine itself to accepting or rejecting the assessment but cannot alter it. He demanded that the Socialist administration submit the corresponding bill immediately to Congress so that it could be passed or defeated.

Pujol Confident of an Agreement

Pujol voiced confidence that the suspension of the Joint Commission's meetings "will open up a channel for further reflection in Madrid, which should also be interested in having the autonomies system work." In any event, unofficial contacts can continue, "and the government can send us new documents, which we will study." The president of the Generalitat said he was willing to reconsider the methods employed to calculate the assessments for the 1983 and out-year budgets, but he does not consider it proper to revise the 1982 calculations because, he stressed, the money has already been spent or committed.

The Catalan Parliament unanimously approved the 126 billion in revenues for the 1982 Generalitat budget. The parliament would now have to reconsider its approval, which he deemed highly unlikely. President Pujol plans to write a letter to the prime minister outlining to him the Executive Council's main concerns, primarily the pending assessments and the delays in passing the General State Budgets for 1983, which he considers "unjustified." The Generalitat cannot draft its own budget until the central government's outlays and revenues are known. "There is a danger that the Catalan Parliament will not be able to pass it until after the summer, and this is bad for the country because we will have only 3 months to implement it."

Trias Fargas denied that the Catalan side had stated at the first and only meeting of the Joint Commission with the new Socialist administration that it was willing to reconsider the February 1982 assessment. "Our firm stand was and is that the agreements are valid and have institutional force. Our willingness to dialogue is not a willingness to capitulate," Trias asserted, adding: "We are willing to talk but we do not agree that the assessments are excessive. We are not ruling out the possibility that if we get a new piece of paper from Madrid, we will study it and,

if it is convincing, take it into account, but our current position is that the assessments are correct and should be put into bill form." The previous administration drew up such a bill, but the Cortes dissolved without passing it. The PSOE then submitted an amendment cutting the amount by 21 billion. The Generalitat meets its financial needs thanks to the 5.3 billion that the government transfers to its account every month, but the money has not arrived all the time and could run out when the extension of the General State Budgets comes to an end.

Unreliable Document

As far as Trias Fargas is concerned, the document that he claims was leaked by the administration is unacceptable. "It has obvious technical shortcomings and, therefore, contains no arguments that would oblige us to reconsider anything," he asserted. As an example of why the document is invalid, he cited that it talks about an overassessment of between 18 and 25 billion pesetas.

He also feels that it is improper to earmark 80 percent of the total for new investments (which are not transferable) when international experience, he asserted, shows that new investments account for 20 percent and replacement investments (which are transferable), 80 percent. Trias asserted that behind this entire controversy is the opposition of certain groups of officials, who refuse to shift from the central government to the autonomous government. "The LOFCA itself states that the autonomies cannot be financed unless there are cuts in central government costs by transferring officials, and this is what they are opposed to," he asserted.

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FAILURE OF COMMUNIST MOTION TO DISMANTLE ZARAGOZA CDI

Madrid EL PAIS in Spanish 10 Mar 83 p 15

[Article by Bonifacio de la Cuadra]

[Text] Madrid--The plenary session of the Congress of Deputies yesterday voted down a motion sponsored by Communist legislator Santiago Carrillo to dismantle the joint military base in Zaragoza. The vote was 256 against, 17 for and 5 abstentions. The Communists received support for their petition to dismantle the Las Bardenas Reales firing range from the PNV [Basque Nationalist Party], represented by Jon Gangoiti. This second petition, which was also included in the proposal, received 20 votes for, 248 against and 11 abstentions.

In addition to the four Communist votes and the PNV votes, a count of the aye ballots and the abstentions must also include the desertions from other groups that voted against the motion. Socialist deputies from Aragon were apparently involved, though the vote list had not been made public as this edition went to print.

Santiago Carrillo referred to reports in various Aragonese and national media concerning the possible dismantling of the joint Spanish-U.S. base at Torrejon de Ardoz and stated that the citizens of Aragon had voiced their concern over the potential transfer to the same sort of base in Zaragoza.

He recalled that both the Zaragoza base and the Las Bardenas firing range terrify the residents of Aragon and Navarre because of how many fighter planes have crashed in the area. He pointed out that the Zaragoza City Hall and the provisional assembly of the Aragonese community had demanded the dismantling of the base, in keeping with the appeal of the 25,000 persons who took part in a demonstration last 27 February.

Carrillo wondered about the negotiations on the U.S. bases and felt that the only solution was to eliminate all of them from our country. Otherwise, he said, it would be the same as belonging to the NATO military organization, only in the worst possible situation. In conclusion, he called for a referendum among the residents of Aragon.

PNV Deputy Jon Gangoiti said that his party was in favor of dismantling the Las Bardenas firing range for ecology, security and regional development reasons. He cited a document from the General Board of Bardenas Unions that stated that the firing range "reflected the utmost contempt for the lives of workers in Las Bardenas."

UCD [Democratic Center Union] member and former Foreign Minister Marcelino Oreja opposed any sort of regional referendum on the installation of bases and said that he was unaware that the Torrejon base was going to be dismantled. He stated that the important thing was to find out what kind of agreement is going to be executed with the United States, and in this connection he voiced his doubts about the scope of the interpretative protocol of the agreement signed on 2 July 1982.

Representing the Popular Group, Antonio Navarro Velasco asserted that a dismantling "would shatter the logistic structure of Spain's defenses." He went on to say that "if what Carrillo wants is to dismantle the Spanish Air Force that is supported from those bases, let him say so." Carrillo replied by categorically rejecting this interpretation of his intentions and cited the following words of the current prime minister: "We want our country to adopt a policy of active neutrality outside the policy of blocs..."

Socialist Sebastian Garcia Tomas said that he was pleased that the Popular Group was against dismantling the bases, in contrast to its leader, Manuel Fraga, who, according to the Socialist deputy, threatened to transfer the Zaragoza base to Teruel. With regard to the agreement with the United States, he advised the chamber to not act hastily and to leave the decision to the administration.

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CSO: 3548/245

RULES, REGULATIONS UNDERWAY FOR SMOOTH AUTONOMY TRANSITION

Madrid EL PAIS in Spanish 1 Mar 83 p 18

[Article by Javier Angulo]

[Text] Madrid--The Delegated Commission for Autonomous Area Matters, headed by Alfonso Guerra, will debate today the definitive text of rules and regulations that must be adhered to by all ministries with respect to the transfers of services to autonomous areas, so that the ministries concerned can work according to paced timetables and plans, thus avoiding the lack of coordination, the improvisation and even the resistance from the bureaucratic apparatus, that have characterized the process thus far.

In the two most recent meetings of the Delegated Commission, the debate has centered on the draft that will probably be made definitive and adopted in today's meeting. The regulations, which directly affect the technical secretaries general of the ministries, lays down a strict calendar of transfers for this year.

By the end of May, the transfer decrees that are to be approved as of 1 July must be ready. Mechanisms are also being provided for the prior transfer of information to the autonomous areas with respect to the services that are to be transferred, so as to avoid cases of autonomous area representatives having to go into negotiations without knowing exactly how matters stand at the time.

Adoption of these regulations is expected to put an end to the long-standing phase of lack of ministerial coordination, improvisations and voluntaristic actions at different levels with respect to the process of transfers to the autonomous areas. Frequently, the presidents of those areas have complained that decisions on transfer matters taken at policy levels--at meetings with the minister or secretary of state concerned--or simply in joint committees, have encountered problems when it comes to implementing them in ministerial departments. This has been the cause of failures to comply with timetables that have previously been laid down, and thus of frustrations and unnecessary conflicts.

An End To Lack of Coordination

During the previous legislative term, lack of ministerial coordination was one of the negative characteristics of the transfer process. While some ministries and general secretariats showed diligence in carrying out transfer decisions taken under other proceedings, others were more remiss.

Lack of coordination, and outright resistance at times, on the part of civil service personnel affected by the transfer, has been the cause of more than a few delays and improvisations and, indirectly, of preferential treatment of autonomous areas able to press harder or presenting special circumstantial situations (elections, for example). According to the minister of territorial administration, Tomas de la Quadra-Salcedo, the Government is seeking to put an end to bilateral negotiations, last minute arrangements, and bit-by-bit transfers.

Timeframes that have now been laid down include: Conclusion of transfers with respect to Euskadi and Catalonia by the end of this year; an effort throughout 1983 to bring Andalusia and Galicia up to the same level of administrative capabilities as both the above areas; completion of the process for all the remaining autonomous areas by year-end 1984.

The rules and regulations will also include guidelines for the setting up of joint reporting committees in the autonomous areas, headed by the respective Government delegates, to inventory the fixed assets of the state in each area and those that can be transferred to the autonomous areas. The intent is to avoid transfers being made without the inclusion of the latter assets or involving flawed relationships to them. Abnormal situations in some autonomous areas, in which the same premises are being shared by the staffs of the Suburban Areas Administration and of the Autonomous Area Authority, will be eliminated.

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CENTRIST PDL, CDS REAP LITTLE BENEFIT FROM UCD DISSOLUTION

Madrid EL PAIS in Spanish 28 Feb 83 p 17

[Article by Fernando Jauregui]

[Text] Madrid--The parties occupying the political center are urgently seeking solutions they can turn into respectable showings in the coming municipal elections, in advance of which, at this time, their prospects appear pessimistic, according to published polls. The two principal national-scale centrist parties, Adolfo Suarez's CDS [Democratic and Social Center] and Antonio Garrigues's PDL [Liberal Democratic Party], have set out in pursuit of funding, as both announce they will compete on their own in the elections.

The Executive Committee and the Political Council of the PDL met on Friday and agreed to issue a total of 100 million pesetas of bonds with a face value of 100 pesetas each. This is something the CDS had announced it planned to do, some days before. It would indicate that neither Garrigues's party nor Suarez's, whose election campaign officials met yesterday, have been able to obtain easy financing through the usual banking channels.

Both parties also face serious problems from the standpoint of presenting an attractive ballot for the local elections in Madrid. The PDL and CDS are the only national parties that have still not decided who is to head their Madrid ballot. Although a sizable sector of the PDL executive body wants Garrigues himself to run--against the latter's own will--the name of Rosa Posada continues to surface as the CDS's number one choice for the capital once the possibility of bringing Ramon Tamames into the party, as proposed by its Suarez wing, is discarded, at least for the time being.

Both Garrigues and Suarez, in their respective campaigns, will try to capture for their respective groups the largest possible number of votes issuing from the UCD [Democratic Center Union]. The former governing party will not be able to compete under its own banner in the coming elections, since it is in the process of dissolution, although the members of its so-called Blue wing are trying to rally councilmen from various provinces to run for office in the elections on a centrist platform devoid of party labels.

Confusion Within the Centrist Parliamentary Group

For the moment, the UCD's sole visible power base, its Parliamentary Group, shows signs of grappling with a deep-seated uncertainty both as to its future and as to its definitive makeup. The question as to whether the ex-president of the UCD, Landelino Lavilla--currently vacationing in South Africa--will retain his seat in the Congress of Deputies, or not, raises the problem of a not too easy replacement: Everyone feels that the numbers two, three, four and five on the ballot for Madrid (Calvo Sotelo, Roson, Perez-Llorca and Joaquin Satrustegui) will decline to take over the seat left vacant in the event Lavilla abandons it. Lavilla, last week, acknowledged his desire to return to private activities, and has retained his status as adviser to the Council of State, his former activity. Nor is it at all certain that the number six on the Madrid list of candidates, Christian Democrat Villar Arregui, would accept the seat.

The open rivalry between Lavilla and the secretary of the UCD Parliamentary Group, Gabriel Cisneros, is adding fuel to the speculation that the ex-president of the UCD may step down; the latter, in his most recent appearance before reporters following the UCD Policy Board's decision to dissolve the party, stated that "he does not know yet" whether he will give up his parliamentary seat or not. Cisneros, for his part, has stated that the Group will continue until June, that is, till the end of the current period of legislative sessions, and indicated he is convinced that Lavilla will remain in the Group. It remains to be seen, however, whether other members of the Group, like Pio Cabanillas, who is affected by the bill on incompatibilities will also give up his seat as a deputy.

In any case, only two members of the UCD Group--Cisneros himself and the former Blue minister, Manuel Nunez, who replaced Rodolfo Martin Villa when he, too, resigned--attended the most recent plenary session of the Chamber, which could be considered symptomatic of the situation that now confronts the Parliamentary Group of the party that was previously in power and is now in the process of official dissolution. This disintegration of the UCD, which, at the time of the decision to dissolve it, had an enrollment of 7,000 militants, does not appear to have been of much benefit thus far to the CDS or the PDL, neither of which has seen any increase in its membership enrollments recently. The opposite is true of Oscar Alzaga's PDP [People's Democratic Party], coalesced with the AP [Popular Alliance]; according to its leaders, it has received close to 1,000 membership applications from UCD members.

But despite the difficulties they face in common and their joint decision to occupy the political center remote from Fraga--both have held talks recently with Miguel Roca, although they do not appear exceedingly convinced of the outlook for success of the "operation" outlined by the leader of Convergence--Garrigues and Suarez will definitely run separately in the coming elections. The meeting held 3 days ago between the leader of the PDL and the former prime minister, at the initiative of the first, resulted unproductive, when Suarez flatly refused to enter into any pact whatever with the PDL.

NSC ON RESTART OF POLITICAL ACTIVITY, FORMER POLITICAL LEADERS

Istanbul CUMHURIYET in Turkish 22 Feb 83 pp 1, 11

[Text] Ankara (CUMHURIYET) -- The National Security Council [NSC] says the political parties and electoral laws must go into effect before political activities may be resumed.

NSC Communique No 30 published yesterday says that certain members of former political parties are trying to encourage and control the formation of new parties and describes these actions as "irresponsible." The communique recalls that permitting political activity is a constitutional matter and reads verbatim:

"1. Article 177 of our Constitution governs the promulgation, as set forth in part two of the Constitution, of

"a) the political parties law, the provisions of which relating to political parties and the right to engage in political activities are to be rewritten, and

"b) the new electoral law, the provisions of which relating to the right to vote and to be elected are to be [re]written, and it is necessary to wait until the said laws are written and published in order that political party and electoral activities may begin.

"2. It has been determined that certain former members of the political parties abolished by Law No 2533 and, in particular, some of the former leaders restricted politically under provisional article 4 of the Constitution are irresponsibly trying to encourage and control movements for the formation of future political parties as if these provisions of our Constitution did not exist and, more importantly, are acting in such a way as to revive the atmosphere of discord and hostility among citizens which was a major cause of the state our country was in prior to 12 September 1980.

"3. Moreover, these former leaders have already begun, in cooperation with certain members of the press, election campaigns in specific newspapers with the intent of forming public opinion as to how one should vote.

"4. Actions such as this by these persons who have become so irresponsible as to feel no respect or sense of obligation to the Constitution fall within the scope of activities in the nature of the political party endeavors banned by NSC Decree No 70. Martial Law Commands are to exercise their full powers under Martial Law Act 1402 in accordance with NSC Decree No 70 in order that the constitutional bans may be effectively enforced."

CONSTITUTIONAL ADVISERS OPPOSED TO GRASSROOTS POLITICS

Istanbul MILLIYET in Turkish 21 Feb 83 p 7

[Article by Teoman Erel: "Humble Village Origins"]

[Text] Constitutional Committee Chairman Orhan Aldikacti wants party organization permitted in villages and localities and, it seems, will insist on it despite defeat on the first round of voting in the general assembly.

It was decided late last week to consider the motion to delete from the bill the section permitting village organization.

Aldikacti's inclination is to ignore this motion and retain the article in its old form.

"We will definitely restore it," he says. "We want to extend democracy all the way to the villages, while the bureaucrats are the obstacle."

The opposition front Aldikacti describes as "bureaucrats" consists of Consultative Assembly members and advisers to the [National Security] Council. What you hear in the cloakrooms is: "Village organization will be prevented by the National Security Council anyway; let's just delete it here."

Only something interesting is happening: The Consultative Assembly members who oppose and are campaigning against political party organization in the villages and localities are nevertheless making a bow to the village and the peasant.

One of these members began a speech, "Myself of humble village origins..." He then added that he had not been born in a place that merely had a village name such as Kadikoy or Vanikoy, but had come into the world in a real village and truly loved the village and the peasant. Unfortunately, however, he considered party organization in the villages very harmful and therefore was obliged to oppose it.

The member, Recai Dincer, balanced off his love of the village against his opposition to party organization in the village in this way:

"The beleaguered farmer, the venerable peasant rises at dawn with the first call to prayer and works until dark in his field, his orchard, his garden plot, his barn, in a world that makes possible our nation's war against hunger, while we hang around trying to drag politics into our village. The peasant has no time for distraction. If we distract our peasant, our country goes hungry."

Fikri Devrimsel, another who opposes party organization in the village, has been saying that he cannot find it in his heart "to cultivate democracy on Anatolian soil with European fertilizer."

The first round is over and, for the present, the situation seems to be:

"Salute the village, but keep the ban."

Actually, if the truth be told, it is not just those who want to keep the ban, but also Aldikacti, the would-be apostle of democracy, who is making this a political issue.

His manner of speaking recalls the manner of a candidate preparing to soon ask the villages for their vote. He is hanging tough. After the motion to delete the right to organization in the villages and localities was approved, he also came out against other members' motions implying a more moderate, "gradual transition."

He raised objections to the speech by Abbas Gokce, with whom he has worked on the Constitutional Committee, because Gokce is a proponent of an "interim formula." He opposed the right of organization for all villages and localities in committee and wrote the opposition opinion on the bill.

Gokce's proposal is this:

"Villages having municipal organizations other than provinces and districts should be allowed the right to form parties. In this way there would be a gradual development."

We would like to cite Gokce's reasoning as well:

"Turkey has 1,170 municipalities, of which 67 are provinces and 572, districts. The rest are boroughs and villages. A party in Turkey prior to 12 September 1980 had 639 organizations in the provinces and districts alone. To suddenly raise this figure to 46,000 means raising Turkey's political tension quotient from 639 to 46,000. Can our political structure stand it?"

We have tried to present briefly the opponents and proponents of party organization in the villages and localities and the advocates of an interim formula.

We ourselves, actually, have opposed the ban on political organization in the villages and localities. We have argued that, if the legitimate parties of the recent past had been organized in these populated areas, the pre-12 September "liberated zones" would not have been so easily established.

We still favor organization in the villages in principle. But we would like to add, "The dosage must be carefully regulated and the schedule applicable to our realities."

Also, we would recommend to Aldikacti a more realistic, pro-compromise attitude in the second round of voting on this matter. If he is sincere, that is the only way he can get positive results.

8349

CSO: 3554/170

DEBATE RAGES OVER POLITICAL PARTIES BILL

Istanbul MILLIYET in Turkish 16 Feb 83 p 8

[Text] ANKARA--Yesterday marked the end of discussions on the political parties bill as a whole. At 1400 today, Orhan Aldikacti, chairman of the Constitutional Committee, will be responding on behalf of the committee to criticism directed at the bill by members of the Constituent Assembly. Afterwards, a vote will be taken to decide whether to proceed with the individual articles.

Forty-eight members of the Constituent Assembly took the floor to comment on the overall bill; 12 declined to speak. Some of the sections of the bill on which the other 36 voiced their opinions will probably be reconsidered in the Constitutional Committee.

Those members who took the floor yesterday generally criticized the bill's length and excessive detail. The question of granting state aid in the first elections was brought up in sundry ways, but some members backed the committee's view that such aid should not be given.

The first speaker yesterday was Suleyman Sirri Kircali. His comment was that he found the new changes to be pointless. Noting that it is impossible for parties to be given state aid in the first elections because they are not considered public organizations, Kircali added, "Any bill as complicated as this one, which has something to say about everything from A to Z, has to be useless. A new bill must be drafted. Let's either send this one back to the committee or form a new committee and have it start all over again."

Tulay Oney in turn pointed out that the constitution and political parties are detached from society to a certain degree and that it is therefore necessary to find a new way to establish a link between the parties and the people. Making it clear that he was not advocating some drastic form of organization, Oney asked that some thought be given to the organization of political parties in districts where the population exceeds 5,000.

Necmettin Narlioglu contended that the political parties bill was drafted on the premise that political parties are harmful to society. Insisting that parliamentary deputies must be able to abstain from voting and not have to go

along with the general consensus, Narlioglu stated, "If there is an increase in the number of deputies whose right to vote is restricted, we are going to see the emergence of a new 'flock of sheep' just like the ones we saw before."

Cahit Tutum began by describing the bill as the product of a group of "experts" who know nothing about politics. He explained: "This is a disadvantage because the success of this bill depends on having a thorough knowledge of both the subject and the field of application." Deeming it "unfortunate" that the political parties law is being drafted prior to the elections law, Tutum said that the elections law is going to seriously affect the way political parties are organized. Finally, he criticized the bill because "instead of drawing people more into politics, this bill tends to increase existing apprehensions about politics."

Fahri Ozturk remarked that the bill contains provisions that are incompatible with the functioning of democracy. Noting that the new system being introduced is "at least" as objectionable as the old one, Ozturk summarized his views as follows: "A lot of 'synthetic' party members will be registering in return for payoffs, and the old games will resume. Therefore, primary elections must be completely outlawed and replaced by a list system." Ozturk went on to say that the political parties certainly need to be given state aid in the first elections under specified terms. He asked that the bill contain no clauses encouraging the emergence of new political parties or the formation of coalitions by party leaders. He also pointed out that if parliamentary deputies are not bound to go along with the general consensus, this leaves room for them to secretly overturn the decisions of the group they represent.

Ahmet Sanver Dogu felt that the bill was all right except for the provision on primary elections. He also considered it worthwhile to politically organize the villages and districts. In his words, "Why should we be afraid to let our villagers get involved in politics?" Dogu agreed with the committee's decision that parties should not be given state aid in the initial elections and objected to the idea that it not be mandatory for parliamentary deputies to conform with the decisions of their group. He remarked, "Let's not go creating strong parties that are really weak in hopes of being able to prevent oligarchy within parties." Dogu further requested that general congresses be held once every 4 years.

Fenni Islimyeli asked that parliamentary deputies be freed from being robots within the party oligarchy. He pointed out that the committee's bill enables the opposition within a party to participate in the party's administration but bans it from meeting secretly to seek different ways of doing things. "There are cliques in the big parties anyway," Islimyeli commented, "That's part of their makeup." He went on to say that he favored state aid to parties but was opposed to organizing villages and districts politically. He also urged that the qualifications required of candidates for central office be specified in the law.

Abdullah Asim Igneciler maintained that it is dangerous to let the opposition within a party get an image of self-importance. Moreover, he asked to have

the parties' quota limits raised to 10 percent and asked that those quotas be used in the provinces as well. He added, "Party organizations are unnecessary in places where the population falls below 5,000; one party representative suffices in such places."

Namik Kemal Yolga, opposing party organizations in villages and districts, said; "I see no use in having the whole nation play politician." Yolga also requested that local congresses not be made mandatory and that the method used in choosing a party's main decision-making body be left to the party's by-laws.

Muzaffer Sagisman advocated careful selection of those countries that are to be used as models when drafting the new parties law.

Mustafa Alpdundar, the last person to speak, insisted that there is no way that new parliaments can be any different from those criticized prior to the 12 September coup if the method for holding primary elections is incorporated into law exactly as it appears in the bill. He asked that the primaries be done away with and that a method be found whereby voters can freely choose candidates for parliament. He commented, "Some of you gentlemen here want to leave well enough alone, but this won't do. Former politicians have already started canvassing on the street corners. We must not make mistakes in the first elections we hold."

Deputy chairman Turhan Guven presided over yesterday's session. After noting that 36 of the 48 members who took the floor had spoken, he called committee chairman Aldikacti to the podium to respond to all of the criticisms. Aldikacti, however, replied that the committee needed to review the criticism and asked that it be given until 1400 today to do so. His request was granted by a vote of the Constituent Assembly.

The Constituent Assembly will be gathering at 1400 today to hear Aldikacti deliver his response on behalf of the committee.

Afterwards, a vote will be taken to decide whether to move on to the individual articles of the bill.

Articles Expected To Undergo Changes

Based on information we received from committee members relative to the criticism that continued for 2 days, the committee will be reviewing some of the articles that members of the Constituent Assembly want changed. The committee members listed the various requests that they may agree to as follows:

- They may reconsider primary elections, but the list-system proposal is out of the question. They may once again focus on the idea of having all candidates in the first elections be nominated through central election primaries.

- There is no way that the state can give parties advances prior to the initial elections. However, the committee may consider the idea of giving the parties

state aid afterwards based on the number of votes they receive in the first elections.

-The committee can probably eliminate the article dealing with the method for choosing the main decision-making body of a party. It can enable the selection to be done on the basis of the method called for in a party's by-laws.

-The provision on organizing villages and districts politically can be taken out of the bill.

-The committee can see to it that the connection between the attorney general and the Ministry of Interior is established within a shorter period of time.

-The article about making the decisions of the group non-binding for parliamentary deputies can be reworded.

12279

CSO: 3554/151

NEW IRON-CLAD PARTY LAW COULD INVITE OLIGARCHY

Istanbul MILLIYET in Turkish 16 Feb 83 p 2

[Article by Murtaz Soysal: "Fantomas"]

[Text] The Consultative Assembly has been discussing the question of oligarchy, debating how it is going to keep party leaders or "teams of leaders" from controlling the various parties for long periods, keeping themselves in office and closing the door to other prospective leaders. Formulas are being added to formulas, rules to rules, solutions to solutions and laws to laws.

But it's all in vain! Every solution that's found comes complete with its own backlash. For example, let's say that the Consultative Assembly were to suggest that this monopolization of power be countered with frequent elections within the parties, and let's suppose it were to introduce devices for large-scale participation in elections at every party echelon. In this case, the assembly would still run up against political sociology's infallible rule about elections: "When it comes to elections, the masses inevitably vote for familiar names and faces; therefore, the leaders have a better chance of retaining their posts through intraparty elections."

In short, this oligarchy has a way of coming back in the window if you chase it out the door and knocking on the door again if you toss it out the window. In fact, a long time ago, back at the turn of the century, an Italian political scholar of German origin named Roberto Michels gave this phenomenon a name, "the iron-clad law of oligarchy."

What should be done about oligarchy?

To quote the phrase used by Golcuklu, one of the members of the Consultative Assembly, "Should we regard oligarchy as an elusive sort of Fantomas* and panic?" The "perfect" crimes committed by that storybook character, created by the French authors Allain and Souvestre around Roberto Michels' time, used

* the character in a long succession of thrillers written by Marcel Allain, either alone or in collaboration.

to thrill us when we read about them as kids, but they would always leave Inspector Juve and all of the detectives bewildered. And now is it our turn to stand bewildered by the iron-clad laws of this new Fantomas? Or should new iron-clad laws be enacted to fight against it?

On the contrary...

Iron-clad laws won't be eradicated by other iron-clad laws. Let's suppose you were to say that other factions surely need to be represented in a party's administration to prevent monopolization by a single group. In that case, you would see an incredible increase in the power and influence of the oligarchy of those men who see themselves as "the loyal members of the party," because the impact of groups that tend to sway one way or another would be greater than before. On the other hand, suppose you were to suggest an increase in government controls, formalities and restrictions for the sake of preventing oligarchy. Once again, a large party bureaucracy would be created to handle all of this, and nobody would be able to contend with the oligarchy of those who would control that bureaucracy.

Therefore, fighting against the iron-clad laws of oligarchy doesn't require other iron-clad laws that will subsequently become punctured everywhere with holes. What you need is "velvet-clad" laws:

- First, be flexible and don't use man-made laws to settle issues that can be resolved through the natural laws of politics. If oligarchies do arise, there will be people who stand up against them and this dialectic gives vitality to the parties. Anyone who would try to stop this dialectic would largely be harming a party, and because of this, even if that person were to win the election within a party, he would always remain the leader of a party that lost nationwide.

- Secondly, do the opposite of what is being done now and maintain ties and relations between the parties and other organizations such as unions, associations, universities and professional groups. In addition, develop relations between the parties and peripheral groups like women and youth associations. Whether or not oligarchical leaders like it, the people coming into the parties from these organizations will increase and the parties' blood will be renewed by these newcomers. Haven't we often seen instances even here in Turkey in which leaders first imposed oligarchy on an organization and then the people in that organization entered the struggle against oligarchy? Indeed, it is far far easier to impose oligarchy on organizations that the law has split up into factions and tightly sealed off from the outside world.

12279

CSO: 3554/151

REMOTE-CONTROLLED C-22 TARGET CAN BE LAUNCHED FROM GROUND, SHIP

Paris ARMEE ET DEFENSE in French Jan-Feb 83 p 23

[Excerpt from article: "The C-22 Target"]

[Excerpt] Characteristics and Performance

Dimensions:

--length	5.25 m
--width	2.5 m
--diameter of fuselage	0.4 m
--diameter of engine housing	0.34 m

Mass at takeoff (fully loaded)	630 kg
Mass of fuel	190 kg
Ceiling of use	14,000 m
Time for climbing to 12,000 m	< 6 minutes
Range at 12,000 m	up to 2.5 hours
Maximum Mach	0.95
Minimum altitude	> 30 m
Maneuverability	> 6 g

Microturbo TRI 60-2 Jet Engine

Thrust	350 kg
Diameter	330 mm
Mass	< 50 kg

The C-22, launched from the ground or from a boat by two releasable rockets, is propelled in cruising flight by a Microturbo TRI 60-2 jet engine of 350-kg thrust and is recovered at the end of its mission by a system of parachutes, both on land and at sea.

Its structure, based on light and strong materials, such as fiberglass and epoxy resin, its appropriately designed cruising engine, and its tight and integrated equipment enable it to do a good number of successive flights, at the cost of simple maintenance operations done on the spot.

11267
CSO: 3519/345

NEW AUTOMATIC PILOT SYSTEMS FOR POOR FLYING CONDITIONS

Paris ARMEE ET DEFENSE in French Jan-Feb 83 pp 24-25

[Article: "Naval Air Force: Automatic Piloting"]

[Text] The pilots of naval airplanes regularly fly low-altitude missions over the sea, in weather conditions that are often rather poor or even very difficult. These missions, which are very varied, nevertheless have one point in common: localizing an objective on the ocean surface.

Under these conditions, the Naval Air crews must be able to concentrate all their attention on the search for the objective; in other words, they must be freed of the tasks of piloting as much as possible. Low-altitude flight, though, imposes particular security restrictions. The systems designed to take the piloting in charge under these conditions must therefore be particularly sure and precise. The SFENA [French Air-Navigation Equipment Co] has recently developed three systems intended to equip the French naval air forces during the coming decade and beyond.

This equipment makes use of different technologies (corresponding to the times in which the various programs were undertaken) that meet the requirements of different missions, depending on the airplanes that are equipped with it.

PA [Automatic Piloting]-405 for the Super Etendard

The pilot of the Super Etendard, who is alone on board, must go and look for his objective hundreds of nautical miles from his point of departure, identify it as quickly as possible, attack it and return to base. His mission is often carried out under bad weather conditions and at very low altitude, so as to thwart the enemy's radars.

The 405 automatic-piloting system is thus of great usefulness to him in this tricky environment.

This system includes a two-axis (pitch and roll) automatic pilot and an auto-lever. The pilot has a Mode-Selection Post and an angle-of-pitch display module for the needs of the autolever. The latter is used systematically for landing on deck, permitting automatic piloting of aerodynamic angle-of-pitch, in the vicinity of stall angle-of-pitch. More than 100 specimens of this system, which is of analog technology, have been produced.

PA-705 for the ATL-2 [Second-Generation Atlantic]

The ATL-2 is equipped with a piloting group that includes an Automatic Pilot-Flight Director, instrument-panel instruments (HDV, ISH [expansions unknown]) and interface boxes. The PA is intended principally to ensure radiosonde altitude maintenance over the sea, at very low altitude. The digital computer of this PA/DV [Flight Director] "works" on the basis of digital signals transmitted by digibus links and Arinc 429's, as well as from analog signals. They comprise integrated autotests that ensure a high level of security.

The prototype phase of the ATL-2's piloting system was completed this summer with the end of the bench-testing. The flight tests are currently beginning, and development should continue until 1984. To date, 12 of these 2 systems have been ordered.

11267

CSO: 3519/345

ARMAMENT OF MILITARY ENGINEERS' ARMORED VEHICLES

Paris ARMEE ET DEFENSE in French Jan-Feb 83 p 21

[Article: "Engineers' Armored Vehicle"]

[Text] The Engineers' Armored Vehicle (EBG) ordered by the French Army is the work vehicle intended for equipping the engineers' combat sections. It is capable of making rough openings of passage, clearing obstructions, preparing fords and banks, leveling small zones rapidly, making abatis and helping to make craters, traversing contaminated zones and crossing deep waters.

This vehicle belongs to the AMX-30 family; it is derived from the AMX-30-B2, and has the same mobility characteristics.

Technical Characteristics

Crew: three men (vehicle chief, sapper, driver).

Mass in operational configuration: 38 t.

Mobility

Engine, transmission and converter, suspension and rolling train identical to those of the AMX-30-B2, which gives it the same performance characteristics.

Crossing of Fords

Without special equipment--2.5 m; with snorkel--4 m.

Specific Equipment

Hydraulically-controlled Bouteur blade forward.

Width with expanders--3.5 m; height--1.1 m.

Hydraulic winch: 15,000 to 20,000 daN [expansion unknown]; cable length 80 m; pulling speed 0.2 to 0.35 m/sec, no matter what the traction effort; self-winch speed 0.2 to 1.4 m/sec, with traction capacity subject to vehicle speed. Possibility of using winch submerged.

Launchers:

--one tube for launching demolition charges, with five charges;

--four tubes containing mine-launchers (creation of tampions), with eight five-mine containers.

Hydraulic work arm with two control stations.

Length, deployed--7.5 m; useful torque-- 15,000 m daN.

Standard equipment: logging claw and lifting hook.

Auxiliary drilling equipment of \varnothing 220 mm; 7-kW disc cutter.

90-kW hydraulic power-takeoff.

Turret

Armament

7.62 machine-gun mounted on panoramic-view turret, with 4,000 rounds.

4 smoke-bomb launchers

Optics

Panoramic-view turret

--Vehicle-chief's periscope with two channels (observation and firing)

--Telemeter scope for sapper

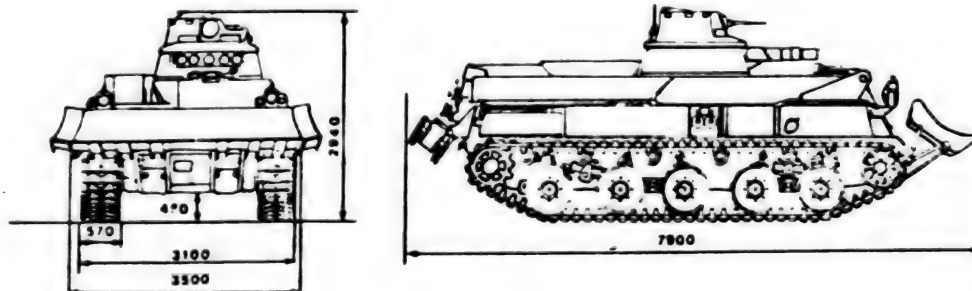
--eight episcope and two diascope.

Miscellaneous Equipment

--one TRVP-13 station, internal interphone, external radio-interphone takeoff

--light-intensification episcope for night driving

--double-circuit NBC [expansion unknown], cockpit ventilation and pressurization.



11267

CSO: 3519/345

NEW ANTISHIP VERSION OF EXOCET

Paris ARMEE ET DEFENSE in French Jan-Feb 83 pp 24-25

[Article: "New Exocet"]

[Excerpt] All the missiles of the Exocet family have automatic guidance after launching. Their extent corresponds to that of the means for detection and for designation of the launcher's objective. The information that must be furnished to the missile before launching are the speed of the launcher, true vertical, the distance, and the direction of the target.

A new antiship missile of this same Exocet family, the SM-39, is being perfected for the French Navy. Fired from underwater, this missile, with a range of about 50 km, is a variant of the AM-39 housed in a capsule having the shape and size of a torpedo. The missile proper measures about 4.7 meters in length and 0.35 meters in diameter. The complete weapon measures 5.8 meters and weighs 1,350 kilos. It is propelled from the submarine through a standard torpedo tube.

The missile is entirely autonomous after its launching. Once it breaks the surface, the cover is ejected and the gas generator with which the capsule is equipped propels the missile, which peaks at less than 50 m and then drops to its cruising altitude (some 15 meters). Once arrived at a dozen meters from the initial target, the SM-39 gets even closer to the surface (about 7 meters) and reaches about 2 m upon impact. After piercing the hull of the vessel, the charge explodes inside. Composed of about 165 kg of explosives, it is powerful enough to knock the biggest warships out of combat.

It is planned to equip the nuclear attack submarines with the SM-39. It will also be used as secondary armament on the SNLE's [Missile-Launching Nuclear Submarines]. In principle, it is not intended for export.

11267

CSO: 3519/345

HERNU SAYS ACX TO TEST NEW TECHNOLOGIES, APPLICATIONS

Paris BULLETIN DU GEFAS in English 3 Feb 83 pp 2, 7, 8

[Excerpt] During a recent budgetary debate at the French National Assembly, Charles Hernu, Minister of Defence declared:

"As for the future, I am able to announce today that preparatory work for developing a fighter aircraft to be in production starting in 1995, is going ahead at full speed. This work consists in acquiring mastery in the basic technologies expected to be used for this aircraft.

Design work is now in progress for an experimental aircraft to be developed now to reduce risks at a later date (....). This phase will soon be completed and will lead to the launching of the experimental aircraft A.C.X. during the first quarter of 1983 (A.C.X. means "Avion de Combat Expérimental").

Consequently, the experimental combat aircraft A.C.X. will be officially launched.

As in the undertaking of any new prototype, this decision constitutes a major event for AVIONS MARCEL DASSAULT-BREGUET AVIATION, and for the French aeronautical industry as a whole.

THE DASSAULT-BREGUET PROPOSAL

At the time of the Hannover Fair in 1980, a joint project was being handled by three firms : MBB, BRITISH AEROSPACE and DASSAULT-BREGUET, with a view towards a 3-way manufacturing scheme for the combat aircraft for the 90s. However, requirements of the different military headquarters did not absolutely coincide with regard to performance and date of service entry. It was seen that an aircraft complying with the requirements of all three countries would be too expensive and too complicated. Moreover, the world economic slump was being felt by these European countries, preventing them from voting the necessary budgets.

Because of this situation, Société DASSAULT-BREGUET advanced the idea of an experimental aircraft to prepare for the future program while maintaining its technological advance.

TO GUARANTEE CONTINUITY

We consider it to be even more important to keep our man force intact than to develop technology. No doubt, the **A.C.X.** will prove a vital force for the engineering department and the prototype workshop. For our manufacturers, it is essential that the creative fund be maintained.

Specifications studies and wind tunnel testing continues actively, thus creating work for several services.

The study and construction of the new prototype will make it possible for young engineers and technicians who have recently become members of DASSAULT-BREGUET to gain real experience under the guidance of their elders, thereby ensuring knowhow continuity.

PREPARING FOR THE FUTURE

The **A.C.X.** will offer a new continuity aspect, as it will be a development bench for problems relating to the future program. For example, the French Navy Air Force is planning a new generation of aircraft carriers, and the experimental aircraft will be an excellent instrument for navalization studies.

This will greatly reduce future development problems

Furthermore, and this is an essential point, work on the **A.C.X.** will make it possible to cut down on deadlines and expenses for the prototype phase and production of the future 1995 fighter.

CONCEPTION

At conception phase, stress is being placed on maneuverability capacity, steep angle flight and low speed performance (short take-off and landing).

The delta, which DASSAULT-BREGUET holds in such great affection, will again be used, but with increased span, a new shape and with the addition of large canard surfaces which will form veritable front tail units.

Aerodynamics will involve extreme optimization of existing theories, but the air intakes will be entirely new.

Although not yet entirely frozen, it is probable that the prototype will have a single rudder and two engines.

NEW TECHNOLOGIES

The **A.C.X.** will be a veritable testing ground for the application and experimentation of new technologies.

For the structures, composites will be used to a wider extent (carbon, boron, kevlar fibres and hybrids).

Experience acquired with the **Mirage 2000** and **Mirage 4000** in such vital components as rudder, elevons and canards will be useful in expanding the use of fibre in the wing and part of the fuselage.

Super plastic shaping and titanium diffusion welding, a very recent technique will be employed for making complex parts at substantially reduced cost.

There will be generalized use of digitalization for aircraft controls and systems. Data transmission will be done via optical fibre. At the same time, the pilot will have far fewer tasks owing to the automatic generalized control (CAG) assisting piloting in all functions.

The **A.C.X.** will also have an anti-turbulence system.

The cockpit will have the very latest in display equipment and the pilot will have new facilities for dialogue with aircraft systems : vocal control.

The work of the mechanics will also be simplified by increasingly integrated maintenance.

Special shapes and the utilization of special absorbant materials will greatly subdue aircraft signature to radar scans.

ADVANCED FACILITIES

The new prototype will prove an opportunity for trying out new computational facilities and advanced production methods within the DASSAULT-BREGUET organization. With the CATIA program developed by DASSAULT-SYSTEMS, computerized development work will be greatly facilitated.

Large-scale programs involving finished parts will benefit by weight gains through structural optimization.

Computerized aerodynamic computation will be employed for new adaptation of the air intakes at steep angles and to improve aerodynamic design for subsonic and supersonic flight.

Owing to digitally monitored machine tools directly hooked-up to the computer, it is now possible to make wind tunnel models in much shorter times than for earlier aircraft. The same applies to fabrication of the aircraft itself.

We will therefore see the birth of a new aircraft, not only in its basic design, but even the facilities employed to determine planes, production and debugging.

CSO: 3500/16

BRIEFS

HELICOPTER TURBINE MONITORING--TURBOMECA has just notified ELECMA, Electronics Division of SNECMA of a pre-production order for 35 digital monitoring boxes for helicopter turbines. This order confirms the excellent results obtained by the motorist with a FADEC (Full Authority Digital Engine Control), of which 6 prototype boxes (RN 1435) have been delivered by ELECMA since the end of 1981. This equipment, developed under Government contract, in close cooperation with TURBOMECA, who had the original idea, ensures speed regulation of the free turbine by total authority digital methods, while integrating the devices governing the position of air intake flaps and superspeed protection. The pre-production version, to be produced from the prototype design, is conceived in modular form, adaptable to various engine types. [Text] [Paris BULLETIN DU GIFAS in English 27 Jan 83 p 4]

CAP X TRAINER--The prototype of the ultra-light 2-seat trainer CAP X built by Avions Mudry & Cie, completed the first flight test phase in November, powered by the Mudry-Buchoux 80 hp four cylinder prototype engine. The aircraft will soon start a new series of tests equipped with a more conventional engine, the four cylinder 108 hp Lycoming 108/116. In this version, the aircraft will be known as the CAP X S (Super). [Text] [Paris BULLETIN DU GIFAS in English 27 Jan 83 p 3]

DAUPHIN 2 TO JAPAN--The 100th French helicopter delivered to Japan by Société Aerospatiale is a 2-turbine (TURBOMECA Arriels) new generation SA 365 N Dauphin 2 (No. 6069). This helicopter arrived on 30 January and will be employed by the fire department of Yokohama for rapid interventions in disaster areas. Since 1961, when Japan placed its first helicopter order with Aerospatiale, 132 helicopters of all types (Alouette II, Alouette III, Lama, Puma, Gazella, Dauphin, Ecureuil single and twin-engine versions) have been ordered by 28 customers. The helicopters will be used for the most diversified purposes, including off-shore work (ASAHI), public welfare (fire departments of Tokyo and Yokohama), executive service, press, police, etc. These helicopters represent 26% of civil turbine helicopters registered in Japan. During the past three years, Aerospatiale has obtained an export turnover of approximately 225 million Francs, in dealings with Japan. [Text] [Paris BULLETIN DU GIFAS in English 3 Feb 83 p 5]

MICROJET 200B TESTS--Marmande Aeronautique, a subsidiary of Etablissements Robert Creuset, located at the Marmande airfield (Lot & Garonne Department),

is now building 4 pre-production (side-by-side oblique seats) twin-jet Microjet 200 B basic trainers. Although the prototype designed and built by Microjet SA at Toulouse, was made of wood, the production units have a metal fuselage, with wings and tail made of composite materials including carbon fibre for spar webs. The prototype MJ-200-01 has logged 400 flight hours in 450 flights since its maiden flight on 24 June 1980 (piloted by J. Grangette). Seventy-two French and foreign (mostly) pilots have made 103 evaluation flights. The first pre-production MJ 200 B made by Marmande Aeronautique will make its maiden flight at the beginning of May and will be shown at the Le Bourget 1983 Show. The second aircraft will leave the factory three months later, and both will be used for final touch-up preceding certification (FAR 23) of the Microjet 200 B, at the end of 1983. The aircraft is powered by 2 Microturbo TRS-18 jets delivering a thrust of 145 daN. [Text] [Paris BULLETIN DU GIFAS in English 3 Feb 83 p 5]

AS 30 READY FOR PRODUCTION--Since 1962, over 3800 remote control versions of the missile AS 30 have been produced by Société Aerospatiale. Of these, 3000 were exported until production was discontinued in 1976. In 1977, the French Air Force placed an order for development of a new, more precise version of this missile which would be automatically laser guided so that the firing aircraft would be able to execute an escape maneuver immediately coming to an end with a series of evaluation firings. Simultaneously, production facilities for these missiles are being laid out at the Bourges Plant of Société Aerospatiale (Tactical Missiles Division). Thus, all is ready for production, and the first deliveries will be available in 1984. The AS 30 Laser is carried by the Mirage III E and Jaguar A operated by the tactical Air Force. They are especially equipped with illumination nacelles for the Thomson-CSF laser "Atlis". The AS 30 Laser is now being adapted to the Mirage F1 and Mirage 2000. Several foreign countries have ordered the AS 30 Laser system. [Text] [Paris BULLETIN DU GIFAS in English 20 Jan 83 p 4]

CSO: 3500/16

STATISTICAL DATA ON ARMED FORCES RETIREMENTS IN PAST 6 YEARS

Numbers Provided

Athens I KATHIMERINI in Greek 10 Mar 83 p 1

[Text] The fact that Group Captain N. Andrikos, adviser to the prime minister on defense matters in foreign policy and one of the principal figures in the team conducting the talks on the U.S. bases, is among the 100 officers retired yesterday caused justifiable surprise and a great deal of conjecturing about new intra-government disagreements. Both the surprise and the conjecture are mainly related to the criteria for Andrikos' retirement, which can in no logical way dovetail with the criteria used by Mr Papandreou himself for Andrikos' selection for the important political post he occupied until yesterday.

According to information obtained by I KATHIMERINI, Andrikos' retirement was brought about on the insistence of a certain member of the government who, with the support of party elements, finally succeeded in imposing his views on the prime minister's staff despite the fact that the retirement gives rise to logical questions about the seriousness and the sense of responsibility with which the government faces sensitive matters related to defense and foreign policy.

The Retirements

Yesterday's retirements fully confirmed our paper's information. The total number of retirements amounts exactly to 100 army colonels, while another 52 are promoted to brigadier general. Moreover, 35 colonels from the Security Corps and 15 groups captains are also being retired.

From the statistical data provided to the press yesterday by deputy Minister of National Defense And. Drosogiannis on the retirements of lieutenant generals, major generals, brigadier generals and colonels for the years 1978, 1979, 1980, 1981, 1982 and 1983, it appears that there really was no "massacre" during this year's retirements.

More specifically: In 1978, a total of 5 lieutenant generals, 10 major generals, 21 brigadier generals and 99 colonels were retired (a total of 135 superior officers).

In 1979, a total of 3 lieutenant generals, 12 major generals, 24 brigadier generals and 102 colonels were retired (altogether 141).

In 1980, a total of 4 lieutenant generals, 12 major generals, 30 brigadier generals and 105 colonels were retired (a total of 150).

In 1981, 4 lieutenant generals, 22 major generals, 26 brigadier generals and 96 colonels were retired (total: 138).

In 1982, 8 lieutenant generals, 16 major generals, 34 brigadier generals and 131 colonels were retired (a total of 189).

In 1983, 4 lieutenant generals, 17 major generals, 31 brigadier generals and 100 colonels are being retired (altogether 152).

The data cited above do not refer to the retirements of superior officers in the Security Corps.

Papandreou Aide Retirement

Athens I KATHIMERINI in Greek 11 Mar 83 p 1

[Text] "The retirement of Air Force Group Captain N. Andrikos was effected independently of the fact that he had occupied the position of technical advisor to the prime minister on matters pertaining to the talks on the bases. Moreover, this proves that the evaluation of officers is carried out according to merit rating criteria." The announcement was made yesterday by deputy Minister of National Defense Drosogiannis in answer to a question related to the surprise caused by the retirement of Group Captain Andrikos and subsequent conjecture on this issue.

CSO: 3521/241

PERCEIVED CONSEQUENCES OF MOROCCAN THREAT TO CEUTA, MELILLA CONSIDERED

Military Scenario

Barcelona LA VANGUARDIA in Spanish 16 Feb 83 p 9

/Article by Pau Baquero/

/Text/ The resolution adopted by the 14 states represented at the meeting of the Union of Arab Parliamentarians held in Rabat supporting Morocco in its claim to Ceuta and Melilla has placed on the present agenda the so-called "Ballesta Plan" consisting of a series of measures and operations planned by Spain's armed forces for the defense of Ceuta and Melilla.

However, this plan is the subject of various amendments, not only because it has been leaked by the press in the past few days but also as a function of the sophisticated war materiel which the United States recently shipped to Morocco. Additionally, in military circles it is not forgotten that the Moroccan Army is much more war-hardened than the Spanish forces because of its periodic clashes in the Sahara with the Polisario Front.

Three to One

The force relationship between the Spanish and Moroccan Armed Forces clearly favors Spain in a ratio of nearly three to one, both in terms of manpower and of tanks and naval units. There are right now in Ceuta and Melilla about 22,000 troops, that is, more than in the captaincies general of the Balearic and the Canary Islands. Thus, the Legion Duque de Alba Infantry Regiment is stationed in Ceuta as are the regulars of the 1st and 3rd Tabor Units, the 30th Field Artillery Regiment, the Light Armored Regiment of the Mounted Cavalry, and the 7th Mixed Engineers Regiment, as well as the 6th Logistical Grouping made up of the medical, quartermaster, transport, and service corps.

Meanwhile, in Melilla, there is a similar distribution of forces with the Legion Gran Capitan Infantry Regiment and the regulars of the 2nd and 5th Tabor Units. Overall, at the two enclaves there are about 50 tanks, 40 caterpillar-track transport vehicles, and two light squadrons of armored vehicles.

The Ballesta Plan anticipates in case of need the immediate transfer to military theaters of the Airborne Infantry Brigade (3,000 men) from La Coruna to Melilla--the only enclave with an airport. Additionally, the Reserve Infantry Brigade, based at Cape Gata, would be moved to Ceuta together with forces of the 2nd Military Region (Seville).

Difficulties

However, it should be mentioned that the military defense of the Spanish enclaves also have their difficulties and drawbacks. It should be taken into account that the closest airport to Melilla is that of Moron, some 30 km distant. On their part, the bases from which Spanish fighter-bombers operate--Albacete, Manises, and Torrejon--are more than 500 km away, so that immediate response to a hypothetical Moroccan attack is very difficult, since it is in the air that the situation could cause the most concern.

King Hassan II has nearly 100 Mirage, F-1, and F-5 aircraft armed with 380 air-to-ground Maverick missiles and the same number of Magic and Sidewinder air-to-air missiles, in face of which Spain's eight antiaircraft guns in Ceuta and Melilla would be powerless. Should the Moroccan planes fly at high altitude, it would however be possible for Spain to use its Hawk and Nike missiles based at La Linea. But should they fly at tree-top level, because of Spain's lack of ground-to-air missiles in Ceuta and Melilla, their defense would be problematic.

Accordingly, to insure the defense of the enclaves Spain would have to move rapidly to the region naval units from Cartagena--the least vulnerable ones since they would only have to cross the Straits of Gibraltar. By having Aspide antiair missiles available, these naval craft would make incursions extremely difficult for the Moroccan Air Force. Undoubtedly, it is at sea that Spain's superiority is decisive, for which reason it is unthinkable that the Moroccan Army should try to blockade Ceuta and Melilla.

Logistics

Various military experts have not concealed the fact that the execution of the Ballesta Plan--which, as we said, is the subject of various changes--involves some logistical problems. The Spanish Air Force lacks sufficient transport aircraft--it has 121--to move a battalion of soldiers with all their equipment, quartermasters' supplies, and medical facilities to the hypothetical scene of battle. That difficulty is all the greater because of the fact that, as was mentioned, the Melilla airport lacks antiair defense like that necessary to protect an airborne convoy.

It would then have to be the forces quartered in the 2nd Military Region and in the Camp of Gibraltar that would be the first to be used, although the transport of their heavy equipment--the Guzman el Bueno Mechanized Division is located in Seville--would also be a problem. Despite all these difficulties the superiority of Spanish forces in men and weaponry is evident. Hence, the principal preoccupation of the military commands would be--should the case arise--to check immediately the only initial advantage which the Moroccans would have: Their dominant position in the field.

It is thus certain that the Spanish Army has streamlined all the necessary procedures so that, if it became necessary, it could implement through the force of arms the mandate in Spain's 1978 Constitution: To maintain the Spanish character of Ceuta and Melilla.

Naval Squadron Off Ceuta

Madrid ABC in Spanish 17 Feb 83 p 11

/Editorial/

/Text/ It is necessary to say that the Spanish Navy is undertaking routine exercises. However, it is also necessary to respond with something more than words to the Moroccan claim, as constant as it is unfounded, to the title of Ceuta and Melilla.

The names of the two Spanish cities of North Africa are not included in the report on /non-self-governing/ territories entitled to self-determination drawn up by the United Nations. Under the new international law there is no appropriate basis whatever to support the Moroccan contention of this being a decolonization issue. The numerous rights of Spanish sovereignty over both enclaves are recognized today in international forums. In strict theory what counts is the justice or injustice of a claim, but sad experience indicates the fragility of principles and vulnerability of rights when there is no material force backing them. Hence the presence of Spanish war vessels off Ceuta should represent psychological insurance and an act of resolve on the messy Mediterranean scene.

This external panorama deserves some detailed analysis. Conflicts of interest have come to focus around the Straits of Gibraltar. Morocco today is a firm ally of the Western defensive system. The North African state is suffering from serious problems: Its archaic political structure, its corruption in the public administration, and its economic recession have brought the regime of King Hassan II to a precarious point which the names of the likes of Ben Barka, Ufkir, and Dlimi threaten to extend indefinitely. Underlying the novel-like intrigues and announced deaths is the reality of the situation: Morocco's per capita income of \$500 /a year/ and an illiteracy rate of 60 percent. If the modest progress of the past is followed by stagnation, Morocco's instability will be all the greater. Having said all this, it is appropriate to return to the focal issue: If the existing unstable situation should end up by falling apart, everyone--that is, not only Spain but also the United States, Europe, and the Arab world--will have to run the risk of an explosion of incalculable proportions. The Moroccan king must not fabricate a dispute with Spain to hide his domestic problems behind a smokescreen. France cannot promote its foreign policy of "regional" aspirations by fomenting Spain's difficulties. The Soviet Union--which is deeply involved in Libya and the Sahara--cannot ignore the fact that the security of the Straits of Gibraltar is not negotiable for the Atlantic Alliance. When Europe, in the decisive year now in progress, plans its defense and its security on the basis of a balance in North Africa, the common requirement is summed up in one word: Prudence. The presence of the Spanish squadron in the waters off Ceuta is not a gesture of provocation

but of spiritedness, a resolve which reminds everyone on both sides of the Straits of Gibraltar of the need to be prudent. The Arab world and the USSR, so distant from each other, will both get the Spanish message.

2662

CSO: 3548/201

EFFORTS TO STREAMLINE GROUND FORCES PERSONNEL UNDERWAY

Madrid EL PAIS in Spanish 10 Mar 83 p 17

[Article by Carlos Yarnoz]

[Text] Madrid--Defense Ministry experts have begun work on an army personnel bill (the army is the only branch that does not have such a law) as a prelude to a future personnel restructuring law. The two laws, which will be implemented gradually, could cut the number of active army generals in half.

According to Defense Ministry sources, the startup of the META [Army Modernization] Plan, in conjunction with the two above laws, would mean that in the next few years the number of active lieutenant generals would fall from the current 18 to 9 or 10. There would be similar reductions in the number of major generals and brigadier generals, they commented.

At present, the army's 18 lieutenant generals are the 11 commanders of Military Regions (9 regions plus the Balearic and Canary islands), the chairman of the Joint Chiefs of Staff, the army chief of staff, the chairman of the Supreme Council of Military Justice, the director of the Superior Army School (a post now held by a major general), the chief of the Superior Personnel Command, the chief of the Superior Logistic Support Command and the director general of the Civil Guard.

There is usually one extra lieutenant general available and awaiting an assignment, as is the case now.

Likely Personnel Cuts

After the startup of META, which calls for the reduction of mainland regions from nine to six, the number of lieutenant generals could very well be cut to the following posts: chairman of the Joint Chiefs, army chief of staff, the six commanders of Military Regions or Demarcations, the captain general of the Canaries and the chairman of the Supreme Council of Military Justice.

With regard to the other posts that are currently held by lieutenant generals, some, such as director of the Superior School or the personnel and logistic command chiefs, could be assigned to major generals, while the possibility is not being ruled out that others, such as the director general of the Civil Guard, could be filled by a civilian. Nonetheless, any such reform, it is stressed, would be carried out gradually over several years time.

There are currently about 45 major generals and 100 brigadier generals, including Civil Guard generals. Both numbers could also be cut in half, concurrent with the reductions in army personnel. The army currently comprises some 250,000 men, and META's objective is to have units totaling 160,000 men. In this connection, we already know that the army's present 25 brigades will be reduced to just 14 or 15.

In light of these plans, the scheduled personnel legislation will obviously call for sharp cuts in present personnel levels. As the defense minister himself, Narcis Serra, recently told the Congressional Defense Committee: "In no event will it be the policy of this ministry to inflate the rolls so that there is room for current personnel. It would be much better for us to set targets that are not at variance with reality." After the laws in question are passed, the Defense Ministry will decide every year what kind of personnel roster the army needs to meet its requirements.

Pay

In addition, Defense Minister Narcis Serra has often repeated that his ministry intends to enforce the personnel restructuring law in conjunction with the remuneration law. In the opinion of ranking Defense Ministry officials, "professional military personnel cannot have the living standard and the pay they deserve unless there is a concurrent and sharp cut in personnel rosters."

We should also recall that in his recent remarks to the Congress of Deputies' Defense Committee, the defense minister stated that the Army Superior Council has already indicated the proportion of colonels in each graduating class who can be promoted until 1991.

"The best qualified colonels will obviously be promoted," Serra said on that occasion, "and this is why the Superior Council has such an enormous responsibility in relation to the future enhancement of our ground forces."

All of the army officers in the General Academy's first graduating class have made general. If the entire second and third graduating classes were also promoted to general, it would prevent the members of future graduating classes from being promoted to that rank.

Under current legislation, the defense minister submits the names of candidates for promotion to general, and the Council of Ministers makes

the decisions. Nevertheless, Narcis Serra has announced that the current administration will respect the evaluations done by the Superior Army Council. Therefore, it will be the council that actually selects which colonels are to be promoted, although the government will continue to have the last word.

The Superior Army Council's selections are based on evaluation tables in which each candidate is assigned a ranking from 0 to 100. Each member of the council, which is made up mainly of captains general, does his own evaluation, and then all of the evaluation sheets are compared.

8743

CSO: 3548/254

AIR FORCE DISGRUNTLED OVER F-18A DEAL

Madrid TIEMPO in Spanish 28 Feb-7 Mar 83 pp 35-38

[Article by M.E. Vague]

[Text] According to authorized air force sources, the current agreement between the Spanish Government and the American corporation McDonnell Douglas for the purchase of 84 F-18A aircraft (the FACA [future fighter and strike aircraft] program) involves an estimated 30 billion pesetas in unnecessary outlays. This amount is the difference between coproducing and assembling the planes in Spain, as is planned, and manufacturing them in the United States. The discrepancy with the figures of the National Institute of Industry (INI) is manifest. The beneficiaries of the extra billions are unknown.

The air force does not accept the terms under which the purchase of 84 F-18A's (as part of the FACA program) was approved.

The agreement signed at the Council of Ministers session presided over by Calvo-Sotelo last 22 July (an agreement whose terms were proposed by Minister Alberto Oliart) is disastrous for both the air force and the nation's economy.

A detailed scientific report drafted by high Spanish Air Force officials claims that the commitment contracted with McDonnell Douglas involves almost 30 billion pesetas in needless expenditures.

The document is dated 29 October 1982, the day after the Socialists won the general elections. It has not officially reached the government of Felipe Gonzalez, but ranking air force officers hope that the new cabinet will amend the terms of the agreement, which is still in force. The extra 30 billion pesetas would only benefit, once again, the far from clear interests of the INI, which includes Aeronautical Constructions and its many executives who are holdovers from the previous administration.

Despite his policy of prudence and long-term planning, Defense Minister Narcis Serra has not properly appreciated the precariousness of the Spanish Air Force, the poor relation in national defense that is obviously well below the standards of its Western counterparts.

The FACA program, which involves the acquisition of a standard fleet of aircraft usable for the next 20 years, is urgent not only because of the distressing condition of the Spanish Air Force, whose planes are too old to fly and which cannot afford to refurbish them. There is also a mounting threat of hostilities because of Morocco's longstanding claim to Ceuta and Melilla, as the climate within that country grows tense because of military movements hostile to King Hassan.

Whether true or not, the rumor highlights the fact that tensions exist and that we urgently need a deterrent air capability that can also respond to a potential attack by Morocco.

No Public Enterprise Policy

There are two options for the future fighter aircraft that the Spanish Defense Ministry is about to purchase. It is a secret to no one that the military, which is used to American planes or because it feels that the McDonnell Douglas F-18A fulfills versatility and other performance requirements that others do not, wants the U.S. aircraft. When it was in the opposition, the Socialist Party pushed for the European Tornado. In the end the air force will probably win this tug of war. In any case, the conditions under which the 84 F-18A's would be acquired, which were set down under Calvo-Sotelo with Alberto Oliart as defense minister, jeopardize the consistency of that administration's or any other administration's economic policy.

It is no accident that the Communist Party has just filed a motion with the Cortes asking the government to explain the presence in state-run enterprises of men like Claudio Boada, Enrique Moya, Jose Maria Amusategui and Carlos Espinosa de los Monteros. The INI is still dominated, under the Socialists, by the same individuals as under an opposing administration that had theoretically different economic and industrial objectives. Some maliciously wonder whether Economy Minister Miguel Boyer, who is from the INI, is Claudio Boada's man or vice-versa. The Communists are also calling for internal and external political and technical monitoring of the per diem allowances, salaries and bonuses of high-level executives, something that has until now been practically nonexistent. If this kind of clarification about state-run enterprises had been demanded before, perhaps we would know why there is so much insistence about or who is bent on carrying forward the FACA program with the F-18A's, in conjunction with the INI enterprise Aeronautical Constructions, S.A. (CASA), as proposed at a Council of Ministers meeting on 22 July 1982.

Compensation

Points one and two of the agreement approved by the last UCD [Democratic Center Union] cabinet called for the purchase of 84 F-18A aircraft at a cost of \$1.882 billion, to be coproduced by the McDonnell Douglas Corporation and CASA

There was talk of "1981 dollars," but it was not taken into account that the U.S. State Department measures inflation rates from March to March, which means that to this amount we could add the inflation from March to January and up the initial figure, as occurred later.

This was not the only surprising gap in the agreement. With regard to compensation, the pact mentioned that the United States should offer the Spanish economy \$1.8 billion. As a "gesture" in this direction (though the issue is still being discussed, and it is not known exactly what form the compensation will take), McDonnell Douglas has put up Spanish travel agency posters in its plants so that American workers can get to know the delights of Benidorm. For their part, Alicante shoe manufacturers are negotiating sales of their products from a little office that the Reagan administration has set up for them. This is one of the compensations under the FACA program.

The coproduction clause, which covers the final assembly of the plane in Spain, installations of the anterior fuselage and simple parts of the airframe, which CASA would manufacture, entails an outlay for Spain of some 15 billion pesetas for the assembly alone (calculated on the basis of the dollars at that time, which were worth appreciably less than today's). The breakdown for this amount looks like this: technical support and inspection by the American manufacturer, 5 billion pesetas; another 9 billion that CASA would invoice for labor, plus another 1.3 billion for the United States in the form of industrial profit.

In contrast, assembling the aircraft in the United States and shipping it to Spain ready to fly would cost 3.2 billion pesetas. The difference is thus 12 billion pesetas. And we are not considering here that CASA would have to buy very expensive extra tooling that it would later have to get rid of and that under this coproduction arrangement the United States makes off with 7 billion pesetas, which is twice what it would receive if it did all the work back home, in addition to which CASA would be 9 billion pesetas richer.

These amounts refer only to the assembly and the difference between doing it in the United States and having CASA do it in Spain.

If we look at total coproduction costs, it would come to 6 billion pesetas to build the planes in the United States and 25.5 billion with Spain taking part. The bill to CASA: 16 billion.

The American share in technical assistance and commissions comes to about 9.5 billion

The Numbers Do Not Tally

Neither CASA nor the administration that signed this agreement have a single sound argument to justify this inordinate difference. The air force, the poor relation in national defense, cannot afford it,

and domestic industry, as its own experts have acknowledged, reaps no benefits in technology or other services.

The fact is that the aircraft assembly is of little use for its future upkeep. The F-18 comes in separate maintenance modules, which CASA could in some cases repair and keep up, but the final assembly would have to be done in the military units. So then, no jobs would be created to alleviate unemployment in Spain; the defense budget would just have another 30 billion pesetas tacked on.

Aside from overlooking U.S. inflation, the last negotiations between the two countries boosted the cost of the program to more than \$2 billion, from the \$1.882 approved by the Council of Ministers. The negotiators have not yet succeeded in cutting back this extra \$121 million.

Though not concealing its preference for the F-18A, the Spanish Air Force has found that the terms of the agreement are unaffordable given current defense budgets. High-level air force personnel feel that they can no longer continue giving away money to CASA, which is no longer satisfied with this even though it has existed for 50 years at the expense of the Spanish Air Force and would like to maintain the arrangement in whatever way possible.

The Spanish military is thus proposing to pursue one of the compensation programs offered by the producers of the U.S. aircraft, involving what it estimates is a \$139 million surplus. The cost of manufacturing and assembling the 84 planes in the United States is \$1.743 billion, according to air force experts, in other words, \$139 million less than what the Council of Ministers was prepared to spend (but there is an extra \$121 million involved here if their plans are carried forward).

This \$139 million could be used to start a program for the production of tactical aircraft; it would be undertaken by Northrop, a McDonnell Douglas sublessee, in conjunction with CASA, which could thus not complain about being left in the lurch. This amount of money is equal to what the Spanish enterprise would earn if it coproduced and assembled the F-18A. The air force could thus achieve several objectives: savings of almost 20 billion pesetas; joint Northrop-CASA conversion of the C-101 tactical aircraft into a two-engine C-201, which would be an important support for the army and navy (at a painful time for the air fleet), and, as a result, the two-engine C-201, in which America would invest \$10 million and the compensation for which would be a firm commitment from Northrop to export two aircraft for every one that the air force buys. The costs of this aircraft have not yet been determined precisely, but we can safely assume that CASA would build at least 90, of which it would export 60, which would bring in 40 to 50 billion pesetas, 3 times more than it would earn from assembling the F-18A. Spain would earn \$300 million from exports and would use 7 million man/hours of labor, compared to 3 million under the FACA program. Under the supplementary C-201 program, Spanish industry would become a technical adviser and parts seller to its foreign clients for the next 20 years.

If the Socialist government changes names and personnel in the INI's public enterprises, as Socialist party circles involved in the enterprises seem to be demanding, the FACA program might not be carried out under the terms set by the Calvo-Sotelo administration. Otherwise, someone will have to explain in whose interest it is to assemble the U.S. aircraft in Spain.

8743

CSO: 3548/254

CODE OF MILITARY JUSTICE PARAMETERS CONSIDERED

Madrid EL PAIS in Spanish 28 Feb 83 p 13

[Article by Carlos Yarnoz]

[Text] A commission of military experts has completed work on drafts of the new code of military justice which may become known as Military Code of Justice. The future code will be divided into three parts--penal, organic and procedural--and it cannot be ruled out that it provides for creation of joint tribunals, made up of civilians and military personnel, responsible for judging specific offenses of such seriousness as mutiny, according to military sources.

It is likely, however, that such a specific offense will not be considered in the new military code, in which case crimes of mutiny would probably be judged exclusively by civilian courts.

According to studies carried out by this commission--consisting of military legal officers and representatives from the three branches of service--the future military code "will be guided by the principle of legality" and will consider other foreign codes to which new concepts of laws and customs of war have been added. Among other innovations it will include those relating to creation of permanent military courts and reinstitution of the so-called "swift trials," removed in the reform of the code implemented in 1980. Another significant innovation will be the one touching upon the concept of due obedience, so hotly argued by almost all counsels for defendants in 23-F so as to ask for their clients' acquittal.

Informed sources have reported that the Ministry of Defense is not attempting to implement another simple reform of the military code but to produce an altogether new one whose content will have to be reconciled with the civil penal code and with the future law on rules of discipline in the armed forces. The crimes of mutiny, violation of secrecy laws, treason and offenses against military authorities may be specifically gathered together in the civil penal code, up to now found in the code of military justice.

One of the primary objectives of the code of military justice will lie in "defining the limits between the penal offender and the discipline offender, now both lumped under the present code." As explained by informed sources,

the "penal offender" will be subjected to the principle of pure legislative technique while the discipline offender will abide by provisions in the future law on rules of discipline in the armed forces, which will become a command-level instrument.

Reduction of Sentences

According to previous reviews carried out to date, the sentences and punishments provided for in both laws will be reduced relative to the present legislation. Likewise, the future code will acquire a new classification of sentences whose number, in any event, will be lower than the present one.

As for the composition of military courts, the pertinent draft at present reports that they will have to be of permanent character and be made up in large measure by military law professionals, although career military personnel in any event will not be excluded. "Swift trials", on the other hand, will be summary military proceedings which will be used under special circumstances, although procedural guarantees will always exist to avoid denying or limiting anyone's access to legal defense.

In approaching the new military code, the Ministry of Defense seeks to adapt its content to that of the constitution which states: "The principle of jurisdictional unity is the basis of the organization and operation of the courts. The law will govern the exercise of military jurisdiction in the strictly military context and in state-of-emergency hypothetical cases, in accordance with the principles of the constitution."

The commission is chaired by General and legal councillor Jimenez Jimenez, former member of the Supreme Council of Military Justice.

9436

CSO: 3548/232

BRIEFS

SAMM INCREASES SPACE ACTIVITIES--In 1982, SAMM (Société d'Application des Machines Motrices) Aeronautical Division had a turnover exclusive of taxes of 130 MF, a growth of 22% over the preceding year. On the strength of these results, SAMM has reinforced its aeronautical commercial service. This service will now play a more important role in the establishment of research and product support policies. To underline its determination to develop space activities, SAMM has changed the name of its Aeronautical Department to Aerospace Department. [Text] [Paris BULLETIN DU GIFAS in English 3 Feb 83 p 6]

STAREC SELF-POINTING ANTENNAS--STAREC (SFIM Group) [SFIM--Société de Fabrication des Instruments de Mesure] acting as prime contractors, have reached an advanced stage in development of 11m diameter self pointing antennas. Following acceptance of the first station located at Aussaguel, near Toulouse, a second antenna of this type will be set up at Kourou, the space pad in French Guiana, in April 1983. At around the same time, the X band self pointing antenna designed for 8 GHz image reception transmitted by the Spot satellite, should also be accepted. STAREC has also been commissioned with developing the 4 meter diameter antenna for the control station of the satellite TDF1. Study, construction and installation should continue until the end of 1984. [Text] [Paris BULLETIN DU GIFAS in English 20 Jan 83 p 6]

CSO: 3500/16

MADRID REJECTS LISBON FISHING PROPOSAL

Madrid DIARIO 16 in Spanish 24 Feb 83 p 16

[Excerpt] Spanish fishing authorities have labeled the Portuguese proposal for the Spanish-Portuguese fishing plan "unacceptable" and announced that Spain will make no counteroffer in order to avoid a "paper war" without any tangible results in the near future, Ministry of Agriculture and Fishing sources reported yesterday.

According to the same sources, the proposal of the neighboring country is unviable, especially with respect to the fishing plan for the southern zone of Portuguese waters and because of the counterparts required by Portuguese fishermen who habitually work the Cadiz and Huelva waters. This new proposal, according to the Agriculture and Fishing Ministry, has omitted certain requirements in previous documents, but it is still unacceptable as regards the interests of Spanish fishermen.

Talks

After emphasizing that there would be no counterproposal, the same sources indicated that the immediate plans of the Spanish fishing authorities on the matter consist in the immediate opening of a round of talks with Portuguese authorities in which either an agreement will be reached or fishing negotiations will be broken off for good.

To that effect, Miguel Olived, secretary general of maritime fishing, will soon go to Lisbon, accompanied by a delegation of experts, in order to explain to Portuguese fishing authorities the Spanish position on the matter and its intentions, especially in the southern zone.

At the present time and based on the same sources in the Spanish Government, the most important point still up in the air has to do with the problem of the Huelva squill boats, for which a solution will be sought immediately.

11,464

CSO: 3548/241

SOVIET ESPIONAGE ACTIVITY IN ANTWERP

Amsterdam DE TELEGRAAF in Dutch 8 Jan 83 p 11

[Article by Theo Jongedijk: "Antwerp Blinks at Soviet Espionage"]

[Text] Antwerp, Saturday--At the Ministry of Foreign Affairs in The Hague there is an internal report which claims that the establishment of a Soviet consulate in Rotterdam "will have unacceptable consequences for Dutch national security." Those who compiled the report contend that "more than just economic interests might be served here."

A majority of PvdA [Labor Party] and CDA [Christian Democratic Appeal] in the Second Chamber threatens to disregard this serious warning. The Russians threaten to transfer a large portion of its Rotterdam transit business to Hamburg and Antwerp. In the past several years, the Belgians have seen repeatedly that Russian commerce is closely connected to espionage.

Taking no Steps

Our neighbors to the south are doing nothing, however, to stop the fast-growing fleet flying the hammer and sickle. The fact that the Belgium security police can no longer maintain surveillance over the more than 50,000 Russians passing through annually is, of course, a related concern.

It is even more remarkable that various spy scandals involving prominent Soviet representatives stationed in Belgium have been covered up for the sake of commercial interests. "We have a free port where ships from nearly 100 countries anchor," declared the Antwerp shipping and port alderman Jan Huyghebaert, who was praised once on the front page of PRAVDA.

"Since we apply no screening measures, everyone is welcome in principle, the Russians included--as long as they break no laws. And I have never heard anyone charge that they have," he continued. The Antwerp director conveniently forgot several spy scandals that he might have read about over the past few years in various Belgium newspapers. Is it so strange that the mouthpiece of the Kremlin sang his praises?

Mass Deportation

1971--Anatole Tchebotariiev, a 38-year old diplomat serving in Brussels, defected to the West. In his baggage there was evidence that over 30 Soviet diplomats and officers working in Belgium were gathering intelligence for the KGB. A mass deportation followed, including that of Mr Kroegliakov, top official of the Russian-Belgium shipping operation Transworld Marine Agency. Kroegliakov's wide activities served merely as a cover for his espionage work.

This firm also has a large establishment in Rotterdam, whose employees are all Dutch. One of the Soviet demands calls for the hiring of Soviet officials for management positions here as well.

1973--There was another scandal at Transworld Marine. The KGB agent Syemetov was arrested in front of the Antwerp office with a briefcase containing NATO documents.

1976--By way of the Transworld office, large amounts of money were transferred to Portugal to assist the Communist Party in the revolution. Officially it was claimed that the money was earmarked for "opening a Russian-Portuguese shipping operation in Lisbon."

1976--Vladimir Khlystov, founder of a Russian company in Belgium, was picked up after making contacts with workers of companies making components for the American F-16 fighter plane.

Circles of the Belgium intelligence service are very indignant about the insensitivity with which the Brussels authorities have dealt with these delicate matters. Most of the deportations caused by the revelations were carried out in great silence. The unchecked growth of Russian interests in Antwerp is making an effective counter-intelligence effort virtually impossible.

In Belgium it is an open secret that the major Soviet interest in Antwerp is partially due to the Dutch naval facility at Vlissingen lying on the shipping lane. The Soviets have very well-equipped facilities--second only to the French--in the Della Faillelaan section of Antwerp. After looking for years, they are also now occupying a prewar villa with armor-plated vaults.

What do they need this for? No one can say. The private sports center on the left bank of the Schelde is luxurious and unique, with all kinds of facilities. Like the consulate, it too is guarded with modern electronic devices. The selectively invited guest will not notice this. According to the GAZET VAN ANTWERP of 3 October 1981, many influential Belgians have already received Royal treatment here. It is interesting to note that the sports center is located not 200 meters from the Antwerp marine-radio antenna installation. The Belgium navy and merchant fleet are dependent on this for their international communications.

In Antwerp everyone is carefully avoiding anything that might jeopardize the expansion of Russian trade relations, for they claim: "What is Antwerp without the 1,600 Russian ships using the harbor annually? Rotterdam would do well to think it over before tying itself as closely to the Russians as Antwerp has."

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DEMOGRAPHIC SURVEY OF BARCELONA AREA

Barcelona LA VANGUARDIA in Spanish 24 Feb 83 p 17

[Article by Jordi Bordas: "The Population of Barcelona Is Not Growing"]

[Text] The population of the metropolitan area showed a slight increase (116,759 persons) between 1975 and 1981. Three additional characteristics observed during this period are: an extraordinary decline in immigration, a drop in the birth rate and a maintenance of the population level of the city proper of Barcelona.

The Metropolitan Corporation of Barcelona yesterday presented the data obtained from the preparation of the 1981 census of the inhabitants residing in municipalities located in the metropolitan area. As can be seen in the accompanying table, the metropolitan population increased by 116,759 inhabitants during the 1975-1981 period. However, when compared with the increase that should have taken place according to the earlier forecasts, the number of inhabitants is less than 40,241 persons. The explanation given by the experts indicates that the population of the city proper of Barcelona in 1975 amounted to 1,751,136 inhabitants. In 1981, it stood at 1,752,627 inhabitants. Consequently, the actual fact is that it increased by 1,491 residents. However, according to the statistics, the increase was to have amounted to 54,500 persons. Therefore, the city proper of Barcelona "lost" 53,009 inhabitants.

As for the remainder of the metropolitan area, the population was 1,228,853 in 1975. Five years later, the population stood at 1,344,121 individuals. The actual growth was in the amount of 115,268 persons, that is, 12,768 more than predicted. In conclusion, then, the truth growth reached the number of 116,759 persons, although it was to have been 157,000. It is for this reason that the "loss" of inhabitants reaches the number of 40,241 persons.

Conclusions

What conclusions can be drawn from all this avalanche of data and figures? The experts of the Metropolitan Corporation of Barcelona pointed out the following: population growth continues, although at a much reduced rate in comparison with the 1960-1970 and 1970-1975 periods. In the case of the city proper of Barcelona, it can be said that there is no increase. To be more precise, the population of Barcelona increased by 300 persons per year. "The

result of this stagnation," the report of the Metropolitan Corporation points out, "is that Barcelona has lost importance with respect to the total population of Catalonia: during the 1950's it had 40 percent of the inhabitants of Catalonia. In 1981, it accommodated 29 percent." If we extend the example to the metropolitan area, we note that 52 percent of all Catalans reside therein, although the growth process is also becoming paralyzed.

Immigration has come to a halt and the birth index is declining. Although the census does not explain the origin of the sparse population that is coming in from other localities or where those leaving the metropolitan area are going, "it can be reasonably supposed that Barcelona 'is exporting' population to the rest of the metropolitan zone and that all of those who leave the metropolitan area are not returning to their places of origin, but are also spreading out over the rest of Catalonia." The process of the emigration from the city proper of Barcelona to other neighboring localities is confirmed by the population increase recorded in Sant Just d'Esvern, Tiana, Montgat, Santa Coloma de Cervello, Sant Cugat or Castelldefels, that is to say, those places in which there are still lands of minimal condition not only for construction but for living in a minimal condition environment.

Barcelona, an Aged City

Barcelona is the most aged city of the entire metropolitan area: 13 percent of its population are more than 65 years of age. The number of children under the age of five dropped from a level of 10 percent in 1975 to 6 percent in 1981, a figure which stands at 9.5 percent throughout the metropolitan area. The decline in the number of children is not peculiar to our city alone, but is characteristic of all the metropolitan municipalities: between 1975 and 1981, the percentage dropped from 12 to 9.5 percent. Another outstanding fact is that the population born in Catalonia equals that of the immigrant population. Three quarters of the inhabitants state that they understand the Catalan language.

The Disappearance of 150,000 Jobs

The unemployment index also rose between 1975 and 1981. The mean recorded in the metropolitan area covers the active population. The actual figure for our city is 16 percent. In 1975, the unemployment index for the metropolitan area was only 5 percent. Under this head, it must be stressed that juvenile unemployment varies between 7 and 12 percent (in 1975, it was from 1.1 to 2 percent). In conclusion, it is calculated that in those 5 years, 150,000 jobs have been lost.

The census of inhabitants is insufficient to explain the causes behind all these data. To cite an example, Barcelona grew by 1,491 inhabitants, but it is unknown exactly how many came to the city of the counts and how many left. And, in this last case, it is also unknown where they are living at present.

(1) Crecimiento metropolitano 1975-81

(2) Municipio	(3) Población 1975	(4) Población 1981	(5) Crecimiento absoluto	(6) Porcentaje
Cerdanyola	30.498	50.885	20.387	10.8
Castelldefels	20.141	24.697	4.556	4.2
Esplugues	38.318	46.079	7.761	3.9
Sta. Coloma Cervelló	2.105	2.520	415	3.7
Viladecans	36.574	43.358	6.784	3.5
El Prat	51.058	60.419	9.361	3.4
Sant Just d'Esvern	9.688	11.022	1.334	2.6
Pallejà	5.080	5.728	648	2.4
Badalona	203.719	229.780	26.061	2.4
Montgat	6.167	6.944	777	2.4
Sant Boi	65.064	72.926	7.862	2.3
Sant Feliu Llobregat	33.959	38.004	4.045	2.3
Tiana	2.737	3.028	291	2.0
Gava	30.474	33.624	3.150	2.0
Sant Vicenç	18.344	20.182	1.838	1.9
Montcada	23.274	25.625	2.351	1.9
Ripollet	24.114	26.133	2.019	1.6
El Papiol	2.964	3.187	223	1.5
Sant Joan d'Espí	23.862	25.309	1.447	1.2
Sant Cugat	29.156	30.633	1.477	1.0
L'Hospitalet	282.141	295.074	12.933	0.9
Sant Climent Llobregat	2.002	2.083	81	0.8
Santa Coloma Gramenet	138.091	140.613	2.522	0.4
Barcelona	1.751.136	1.752.627	1.491	0.02
Cornellà	91.739	91.563	-176	-0.04
Sant Adrià de Besòs	37.526	36.397	-1.129	-0.61
Molins de Rei	20.058	18.308	-1.750	-1.63
(7) Corporación Metropolitana	2.979.989	3.096.748	116.759	0.8

Key: (1) Metropolitan Growth, 1975-1981 (5) Absolute Growth
 (2) Municipality (6) Percentage
 (3) Population 1975 (7) Metropolitan Corporation
 (4) Population 1981

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